

## SPECIAL COMMITTEE REPORTS

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

Your Senate Ad Hoc Committee, to which was referred:

“THE SENATE’S REVIEW AND ASSESSMENT OF THE IMPACT ON THE COMMUNITY FROM THE REDUCTION IN GOVERNMENT SERVICES DUE TO BUDGET RESTRICTIONS AND LAYOFFS AND FURLOUGHS OF CERTAIN STATE EMPLOYEES,”

begs leave to report as follows:

**BACKGROUND**

On August 4, 2009, Governor Linda Lingle announced that the State would immediately begin delivering written layoff notices to the approximately 1,100 state employees who were previously notified their positions could be eliminated. In addition, the Governor announced the furlough of approximately 900 “exempt excluded” non-union state employees for three days per month effective September 1, 2009. These 900 employees were not covered by Judge Karl Sakamoto’s order barring the Governor from unilaterally implementing furloughs for union employees.

In response, you assigned the Senate Vice-President the responsibility of coordinating the Senate’s review and assessment of the impact to the community from the reduction in government services due to budget restrictions and layoffs and furloughs of certain state employees, and announced formation of a Senate Ad Hoc Committee. For this purpose, the Vice-President was appointed chair of the Ad Hoc Committee, with the Committee to be comprised of senators interested in gaining more information about the proposed reductions in services.

As such, the Ad Hoc Committee conducted informational briefings to gather information on the anticipated impacts of the planned closure of the Kulani Correctional Facility.

**INFORMATIONAL BRIEFING**

Your Committee conducted three informational briefings: on August 13, 2009, in Hilo, Hawaii, on August 14, 2009, in Kailua-Kona, Hawaii, and on August 19, 2009, in Honolulu, Hawaii. In attendance at the Hilo briefing were Russell S. Kokubun, Chair; and Senators Colleen Hanabusa, Gary L. Hooser, and Dwight Y. Takamine. In attendance at the Kailua-Kona briefing were Russell S. Kokubun, Chair and Senator Dwight Y. Takamine. In attendance at the Honolulu briefing were Russell S. Kokubun, Chair; and Senators Rosalyn H. Baker, Suzanne Chun Oakland, Will Espero, Brickwood Galuteria, Colleen Hanabusa, Gary L. Hooser, Donna Mercado Kim, Norman Sakamoto, and Dwight Y. Takamine.

Prior to the Honolulu informational briefing, three subpoenas commanding appearance and testimony before your Committee were served: one to the Chairman of the Correctional Industrial Advisory Committee, and two to administrators at Kulani Correctional Facility.

Written comments were received from the Department of Public Safety, the Mayor of the County of Hawaii, Community Alliance on Prisons, and six individuals, and approximately two dozen people presented oral testimony. Video links to the briefings and selected testimony are available on the Legislature’s website.

**Kulani Correctional Facility**

Kulani Correctional Facility (KCF) is a 160-bed minimum-security prison that incorporates vocational training and specialized programming for male inmates who are serving the last four years before their tentative parole date. Situated on 8,000 acres outside Hilo, Hawaii, the 20-acre facility opened in 1946 as a work camp and initially focused on assigning inmates agricultural and forestry work. Current programs stress mechanical repair and maintenance, construction, heavy equipment operation, computer work, as well as horticulture and conservation. It is the only Department of Public Safety (Department) facility that is a mandatory work camp, requiring every inmate to work full time.

KCF is also the primary location for the Department’s Sex Offender Treatment Program (SOTP), which generally takes two years to complete. Unless determined violent or mentally challenged, or the inmate refuses to work, minimum-custody sex offenders are assigned to KCF. Sex offenders not eligible for KCF are housed in Halawa Correctional Facility, a medium-security and high-security facility. The only other minimum-security facility in the State is the Waiawa Correctional Facility, which does not house sex offenders.

The 160-bed KCF facility has housed up to 220 inmates without creating operational problems, and the August 2009 population count of 123 inmates is the lowest in over twenty years. Current staffing consists of the following positions:

Administration:	8	6 filled, 2 vacant
Security:	53	48 filled, 5 vacant
Security Training:	1	filled
Operations:	11	10 filled, 1 vacant
Offender Services:	6	filled
Education:	2	filled
Library:	1	filled
Health Care:	3	filled
Food Services:	5	filled
Correctional Industries:	2	1 filled, 1 vacant

Based on the information and testimony received, your Ad Hoc Committee has identified the following priority concerns.

**PRIORITY CONCERNS**

- Kulani Correctional Facility has the most successful Sex Offender Treatment Program (SOTP) in the nation, and options for inmate transfers to other SOTP facilities – either in-state or out-of-state – are limited or would house minimum-custody inmates in medium-security facilities. This is in conflict with the standards of the American Correctional Association and the Department’s policies and procedures on the housing of inmates based on their custody levels. Also, treatment providers attribute the program’s success in part to Kulani’s milieu. Sex offenders not only receive treatment, but also must work and function responsibly with minimum supervision, an environment that does not exist at the sites to which the sex offenders will be transferred.
- KCF has a successful Substance Abuse Treatment Center in which prisoners can get dual treatment. While other Hawaii and Mainland facilities have substance abuse programs, not all accept sex offenders and a great portion of sex offenders require both programs.
- KCF provides educational training and occupational skills in auto mechanics, construction, landscaping, conservation, heavy equipment, laundry services, and kitchen services. Inmates are involved in a wide range of community service projects in these areas – efforts that the communities would not otherwise be able to afford.
- Local vendors, including food suppliers, supply tens of thousands of dollars worth of goods and services to KCF each month, and the loss of sales will have a detrimental economic ripple effect for businesses throughout the island.
- The Going Home Committee is a consortium of public and private agencies focused on promoting successful reentry programs on the Big Island. A significant percentage of inmates housed at KCF are Big Island residents. By serving a portion of their sentences in their home community, these inmates benefit from regular family visitation, establishing contacts with community groups, such as churches, which can provide positive relationships after release, and from social and employment services specific to their needs. Going Home has worked to improve programs that foster transition for KCF inmates who will return to the Big Island communities. Programs such as job readiness, mentoring, and housing placement, help offenders become productive citizens and reduce recidivism and victimization. Without KCF, this transition will be much more difficult for inmates from the Big Island.
- The Federal Detention Center (FDC) and Halawa Correctional Facility are medium-security facilities in Honolulu, and Waiawa Correctional Facility in Waipahu is a minimum-security facility; all house Hawaii inmates. Transferring KCF inmates to these facilities will severely limit the inmates’ ability to meet their required prescriptive program, particularly those in the SOTP.
- Currently, six of the nine correctional facilities in Hawaii are under capacity. Closing KCF and transferring inmates will not significantly address the under-capacity issue in Hawaii facilities, and calls into question the cost analysis of keeping inmates at mainland facilities. At minimum, this cost analysis should include the economic impact of housing inmates in Hawaii as opposed to the mainland.
- The courts determine each inmate’s maximum sentence, and the Hawaii Paroling Authority (HPA) sets a minimum sentence and a tentative parole date (TPD). Inefficiencies have resulted in inmates returning from mainland facilities after their TPD, or with too little time to meet their required prescriptive program before their TPD. This has led to increased costs for housing and treatment of inmates beyond the period required by the HPA.
- KCF has received significant state investments through capital improvement projects: \$8,136,937 since 2000. To date, the Department has not provided finalized contingency plans for use of the facility, or total savings realized from its closure.

To address these priority concerns, your Ad Hoc Committee has developed the following recommendations.

**RECOMMENDATIONS**

- Require the Department of Public Safety to provide the Ad Hoc Committee with information listing the facilities where former KCF inmates are being housed, the programs available at these facilities, and whether the available programs will be adequate for the inmates to meet their required prescriptive program before their TPD.
- Direct the Senate Majority Research Office to conduct a legal analysis regarding the Governor’s authority to unilaterally close the Kulani Facility without first obtaining legislative authorization. Although the Governor appears to have the authority to restrict funding to programs under administration control, there is a question as to whether the Governor has the legal authority to shut down the facility altogether without legislative authorization, particularly since the funding for the facility was contained in the Executive Budget and the Governor did not line item veto the appropriation.
- Require the Department of Public Safety to provide no later than twenty days prior to the Regular Session of 2010 a plan for use of the Kulani facility.
- Request the Auditor to conduct a financial and management audit of the Department of Public Safety, to include an audit of CCA contracts in order to determine CCA costs relative to the cost of housing inmates in Hawaii facilities.
- Require the Department of Public Safety to finalize and release no later than twenty days prior to the Regular Session of 2010 the prisoner assessment study initiated in 2006.
- Require the Department of Public Safety to consult with the counties to determine the feasibility of transferring pretrial detainees to county jurisdiction or to develop a fee schedule for housing pretrial detainees in order to expedite timely due process.
- Require the Department of Public Safety to provide open records upon request: all inmate housing contracts, including private prisons on the mainland and the Federal Detention Center in Honolulu; contracts for the SOTP; contracts for the Substance Abuse Treatment Program; contracts for vocational training with the University of Hawaii at Hilo and Hawaii Community College; and the Memorandum of Agreement with the Five Mountain Alliance Group.

- Require the Department of Public Safety to provide the Legislature with a plan describing in detail how it will comply with chapter 353H, Hawaii Revised Statutes (the Community Safety Act of 2007).

Signed by Senator Russell S. Kokubun, Chair, on behalf of the Committee.

### **Spec. Com. Rep. No. 2**

Your Senate Ad Hoc Committee, to which was referred:

“THE SENATE’S REVIEW AND ASSESSMENT OF THE IMPACT ON THE COMMUNITY FROM THE REDUCTION IN GOVERNMENT SERVICES DUE TO BUDGET RESTRICTIONS AND LAYOFFS AND FURLOUGHS OF CERTAIN STATE EMPLOYEES,”

begs leave to report as follows:

#### **BACKGROUND**

On August 4, 2009, Governor Linda Lingle announced that the State would immediately begin delivering written layoff notices to the approximately 1,100 state employees who were previously notified their positions could be eliminated. In addition, the Governor announced the furlough of approximately 900 “exempt excluded” non-union state employees for three days per month effective September 1, 2009. These 900 employees were not covered by Judge Karl Sakamoto’s order barring the Governor from unilaterally implementing furloughs for union employees.

In response, you assigned the Senate Vice-President the responsibility of coordinating the Senate’s review and assessment of the impact to the community, economy, and environment from the reduction in government services due to budget restrictions and layoffs and furloughs of certain state employees, and announced formation of a Senate Ad Hoc Committee. For this purpose, the Vice-President was appointed chair of the Ad Hoc Committee, with the committee to be comprised of senators interested in gaining more information about the proposed reductions in services.

As such, the Ad Hoc Committee conducted informational briefings to gather information on the potential impacts of the anticipated reduction in services for the Department of Agriculture’s Plant Quarantine Branch and Commodities Branch throughout the State.

#### **INFORMATIONAL BRIEFING**

Your Committee conducted five informational briefings: on August 13, 2009, in Hilo; on August 14, 2009, in Kailua-Kona; on August 19, 2009, in Honolulu; on September 3, 2009, in Kahului; and on October 1, 2009, in Lihue.

In attendance in Hilo were Russell S. Kokubun, Chair; and Senators Colleen Hanabusa, Gary L. Hooser, and Dwight Y. Takamine. In attendance in Kailua-Kona were Russell S. Kokubun, Chair and Senator Dwight Y. Takamine. In attendance in Honolulu were Russell S. Kokubun, Chair; and Senators Rosalyn H. Baker, Suzanne Chun Oakland, and Dwight Y. Takamine. In attendance on Maui were Russell S. Kokubun, Chair; and Senators Rosalyn H. Baker, J. Kalani English, Brickwood Galuteria, Gary L. Hooser, and Shan S. Tsutsui. In attendance on Kauai were Russell S. Kokubun, Chair and Senator Gary L. Hooser.

Written general comments were received from Congressman Neil Abercrombie and the Department of Agriculture.

#### **Hawaii (Hilo and Kona)**

Written testimony was received from the Mayor of the County of Hawaii; College of Tropical Agriculture and Human Resources, University of Hawaii; University of Hawaii at Hilo; Big Island Farm Bureau; AFC Kona Kohala Chefs Association; The Kohala Center’s Hawai’i Island Food Self-Reliance Project; Hawaiian Sunshine Nursery; Kama’ili Nursery; Hawaii Coffee Association; and nine individuals. Several dozen people presented oral testimony, including Tropical Hawaiian Products; Green Point Nurseries, Inc.; Hamakua Springs Country Farms; Hawaii Aquaculture Association; Mountain Meadows; Hawaii Papaya Industry Association; and many employed in various phases of agriculture.

#### **Honolulu**

Testimony was presented by the Hawaii Farm Bureau Federation; College of Tropical Agriculture and Human Resources, University of Hawaii; Alluvion, Inc.; Hawaii Aquaculture Association; Hawaii Crop Improvement Association (Seed Corn); Nalo Farms; and FAT Law Farm.

#### **Maui**

Written testimony was received from the Mayor of the County of Maui; the Department of Agriculture; the College of Tropical Agriculture and Human Resources, University of Hawaii; Maui County Farm Bureau; Maui Invasive Species Committee; Hawaii Agriculture & Conservation Coalition; The Nature Conservancy of Hawai’i Maui Field Office; I.N. Komoda Orchids, Inc.; Tropical Gardens of Maui; Tropical Orchid Farm; Upcountry Natives, LLC; Wai Ulu Farms; twenty-five individuals. Oral testimony was presented by the Maui Office of Economic Development; Maui Cattlemen’s Association; Maui Flower Growers Association; Maui Pineapple Company; The Maui Coffee Association; Maui Tomorrow Foundation; Haiku Maui Orchids Sierra Club; Hana Tropicals; and several dozen individuals.

#### **Kauai**

Written testimony was received from the Kauai County Farm Bureau and Malama Kauai. Oral testimony was presented by the Kauai Office of Economic Development; Kauai Invasive Species Committee; Kauai Nursery and Landscaping, Inc.; Syngenta; Arbor Sciences; Hawaii Tropical Flower and Foliage Association; Going Green Nursery; Hawaii Beekeepers Association; and approximately two dozen individuals and organizations.

Video links of the briefings and selected testimony are available on the Legislature’s website.

**Plant Quarantine Branch (PQ Branch)**

The PQ Branch’s Biosecurity Program is responsible for controlling the introduction and interisland spread of invasive species in Hawaii – described as the single greatest threat to Hawaii’s economy, natural environment, and the health and lifestyle of Hawaii’s people. Invasive pests can cause millions of dollars in crop losses, the extinction of native species, the destruction of native forests, the spread of diseases, and the quarantine of exported agricultural crops.

Nearly ninety per cent of Hawaii’s consumer goods are imported and ships alone bring in 500,000 sea containers carrying 25,000,000 cartons – inspectors at harbors and airports are the first line of defense in stopping invasive species. In addition, the export value of agricultural products is in excess of \$160,000,000 and the scheduled layoffs will have a severe impact on Hawaii businesses due to the resulting reduction in exports. California already imposes strict guidelines for importation of Hawaii agricultural products, and any decline in meeting those requirements may result in an embargo by the State of California. Small businesses in particular are vulnerable, as any additional difficulty in achieving nursery certifications has a proportionately larger financial impact on smaller operations.

Initially, the PQ Branch listed 72 general funded positions and 40 special funded positions – 52 of the general funded positions were scheduled for layoffs.

As a result of the briefings and increased community attention, on September 24, 2009, the Department of Agriculture announced temporary restoration of 22 of the plant quarantine inspector positions slated for layoffs to support core inspection services at ports statewide. The \$1,800,000 funding for the 22 positions includes \$600,000 earmarked for the Hawaii Invasive Species Council (HISC) and \$1,200,000 from fees collected in the Pest Inspection, Quarantine, and Eradication Fund. Income to the special fund comes from maritime and airline companies that bring in cargo to Hawaii and pay 50 cents per 1,000 lbs. of cargo for inspection, quarantine, and eradication of invasive species that may be transported into the State. The changes will result in the following adjustment in inspection coverage:

<b>Port</b>	<b>Pre-RIF</b>	<b>Post-RIF</b>
Hilo	10	6
Kona	4	3
Kauai	3	2
Maui	14	11
Oahu	52	33
<b>TOTAL</b>	<b>83</b>	<b>55</b>

With reduced inspector staffing, priorities will focus on all incoming cargo from Guam to prevent the introduction of the brown tree snake, and inspections of food for human consumption and animal feed. Actual coverage, however, is hard to estimate, particularly in terms of the “gaps” not covered despite the restoration of the 22 positions. The Department of Agriculture is also working closely with federal partners and the agriculture industry to share responsibilities and develop alternate inspection arrangements, which in all likelihood, will not be accomplished expeditiously.

**Commodities Branch**

The Commodities Branch provides fee-for-service certification and auditing; enforces laws regarding the quality and condition of agricultural products; issues licenses for dealers in farm produce; conducts feed registration, sampling, and enforcement for label guarantees; and administers the Milk Control Section. Overall the Commodities Branch will lose fifty per cent of its full time staff. The Branch is also responsible for seafood inspections, seed certification, USDA federal-state certification of eggs, and food safety.

The Commodities Branch is projected to lose fifty per cent of the full time staff. On the Big Island, the layoffs will directly impact the papaya and coffee industries and increase certification times from days to weeks. Statewide, over 1.8 million pounds of papaya were checked and over 6.3 million pounds of coffee certified in fiscal year 2009.

**PRIORITY CONCERNS**

Based on the information and testimony received, your Ad Hoc Committee has identified the following priority concerns.

- Agriculture is a \$4,720,000,000 industry in Hawaii and accounts for 38,000 jobs or five per cent of the statewide total. The proposed layoffs affect not only growers, but have a substantial “trickle down” effect on other related industries, such as packaging, fertilizer producers, etc.
- Since 1981, there have been eight confirmed interceptions of brown tree snakes from Guam, where the snakes are responsible for an estimated \$485,000,000 annually from power outages and other damages. Once the snake is established, eradication is next to impossible.
- Hawaii has only five types of mosquitoes, none of which are vectors of malaria and dengue. Keeping additional mosquitoes out of the State is critical to stopping the spread of disease to both humans and animals.
- There have been two interceptions of red imported fire ants: their stings can cause death in people and animals and they cause extensive damage by chewing through electrical insulation. National costs for control and mitigation are estimated at \$5,652,000,000 annually.
- PQ Branch Inspectors must be able to identify over 150 prohibited animals, 1800 restricted animals, 1800 conditionally approved fish, 600 genera and nearly 22,000 species of grasses, as well as 100,000 hybrids of orchids that require quarantine. Inspectors need a relevant academic degree and three years of training.

- Currently, all PQ Branch staff require overtime to meet inspection needs. Projected cuts will reduce the staff by nearly half, making adequate inspection impossible.
- Larger agribusinesses may be able to pay for private inspectors, but small farmers will not be able to afford this alternative.
- Layoffs may require assignment of all inspectors to produce only, affecting pets and the imports for the holidays, such as Christmas trees and other florals and greens.
- A California embargo on Hawaii agricultural products is a strong possibility, which would have a substantial economic impact on growers dependent on the California/West Coast markets.
- On Kauai, the Department of Agriculture is scheduled to lose the only office person. Farmers testified that they need a point of contact for the Kauai office in order to schedule and coordinate inspections and other services and obtain information.
- Aquaculture is one of the fastest growing industry segments – valued at \$34,700,000 in 2008 – and cuts in inspector services will impact both imports and exports. Seafood inspections account for nearly the same volume as florals, and play a vital role in the stability of the restaurant industry.
- Hawaii’s seed industry – valued at \$250,000,000 in annual spending and currently the leading commodity in the agricultural industry – faces a possible shutdown if inspectors are not available to process research imports and exports.
- In reviewing the \$1,800,000 funding for reinstatement of the 22 positions, concerns were raised that not all cargo carriers may be in compliance with paying fees, to the detriment of the uses of the Pest Inspection, Quarantine, and Eradication Fund at this critical time. In addition, the \$600,000 earmarked for the Hawaii Invasive Species Council, which will now be used to fund inspector services, will seriously jeopardize “on the ground” eradication and management programs of invasive species.

#### RECOMMENDATIONS

To address these priority concerns, your Ad Hoc Committee has developed the following recommendations.

- Require the Department of Agriculture to report to the Legislature on an assessment of:
  - ✓ The adequacy of the pre-RIF workforce in light of the testimony provided; for example, the optimum would be to have four inspectors on Kauai as the three pre-RIF inspectors were too short staffed to process the required inspections and nursery certifications when vacations and illness resulted in only two positions being active.
  - ✓ Layoffs of aquaculture branch staff, including impacts on the industry.
  - ✓ Lack of entomologists on each island, and the impacts on timely responses.
- Amend section 150A-4.5, Hawaii Revised Statutes, the Pest Inspection, Quarantine, and Eradication Fund, to maximize container fees for the fund by providing penalty provisions for non-payment or late payment including all airline cargo carriers.
- Request the Legislative Reference Bureau to analyze and report on the economic impacts of the layoffs to business and the community.
- Request the Hawaii Invasive Species Council to analyze and report on the environmental impacts of the layoffs to business and the community.

Signed by Senator Russell S. Kokubun, Chair, on behalf of the Committee.

#### Spec. Com. Rep. No. 3

Your Senate Ad Hoc Committee, to which was referred:

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begs leave to report as follows:

#### BACKGROUND

On August 4, 2009, Governor Linda Lingle announced that the State would immediately begin delivering written layoff notices to the approximately 1,100 state employees who were previously notified their positions could be eliminated. In addition, the Governor announced the furlough of approximately 900 “exempt excluded” non-union state employees for three days per month effective September 1, 2009. These 900 employees were not covered by Judge Karl Sakamoto’s order barring the Governor from unilaterally implementing furloughs for union employees.

In response, you assigned the Senate Vice-President the responsibility of coordinating the Senate’s review and assessment of the impact to the community, economy, and environment from the reduction in government services due to budget restrictions and layoffs and furloughs of certain state employees, and announced formation of a Senate Ad Hoc Committee. For this purpose, the Vice-President was appointed chair of the Ad Hoc Committee, with the Committee to be comprised of senators interested in gaining more information about the proposed reductions in services.

As such, the Ad Hoc Committee conducted an informational briefing to gather information relating to the potential impacts on the community and the State Foundation on Culture and the Arts, arising from the significant reduction in staffing and the consequent reduction in services.



**INFORMATIONAL BRIEFING**

Your Committee conducted an informational briefing on September 30, 2009, in Honolulu, Hawaii. In attendance were Russell S. Kokubun, Chair; and Senators Carol Fukunaga, Brickwood Galuteria, Norman Sakamoto, and Brian T. Taniguchi.

Prior to the informational briefing, a subpoena commanding appearance and testimony before your Committee was served on the Executive Director of the State Foundation on Culture and the Arts.

Written testimony was received from the Executive Director of the State Foundation on Culture and the Arts; Department of Accounting and General Services (DAGS); University of Hawaii at Manoa Art Gallery; Hawai'i Arts Alliance; Alliance for Drama Education; Hawaii Youth Symphony; Hawaii Youth Opera Chorus; Chamber Music Hawaii; Kaua'i Historical Society; Kalihi-Palama Culture & Arts Society, Inc.; Hawaii Museums Association; IONA Contemporary Dance Theatre; Tau Dance Theatre; The Arts at Marks Garage; Holualoa Foundation for Arts and Culture; The Socrates Institute; Monkey Waterfall; One Heart Massage; Diamond Head Theatre; Kennedy Center for the Performing Arts; Kumu Kahua Theatre; Kahilu Theatre Foundation; Storybook Theater of Hawaii; Historic Hawai'i Foundation; Hawaii Theatre Center; Ballet Hawaii; Maui Arts & Cultural Center; Maui Academy of Performing Arts; Windward Arts Council; Moanalua Gardens Foundation; Hawaii State Art Museum; Dennis Kamakahi Productions/Naukilo Publishing Company/Na 'Oiwi Productions; Tim Bostock Productions; Kauai Society of Artists; Honolulu Printmakers; Pomaikai PTSA; Kapiolani Community College; Leeward Community College Theatre; Helemano Elementary School; Hawaii Land Company; Bare & Core Expression; Youth Speaks Hawaii; The Magic Storyteller; and approximately seventy-five individuals, many from the arts and culture community. Video links of the briefings and selected testimony are available on the Legislature's website.

The Hawai'i State Foundation on Culture and the Arts (SFCA) was established by the Legislature in 1965, to promote, perpetuate, preserve, and encourage culture and the arts, history and the humanities as central to the quality of life of the people of Hawai'i. Initially, the SFCA was placed within the Office of the Governor, then in the Department of Budget and Finance, and in 1980, was transferred to the Department of Accounting and General Services.

One of the original SFCA programs – the Biennium Grants Program – has provided millions of dollars to arts and cultural programming statewide. In 1967, the Legislature established the Art in Public Places Program within the SFCA, the first such program in the nation created to help local artists. It established a separate method of funding the arts by accessing one per cent of the construction cost of new state buildings. Additional SFCA responsibilities include: the Artists in the Schools Program, which provides opportunities for K-12 public school students to work with professional artists (established in 1970); the Folk Arts Program, initiated through a grant from the National Endowment for the Arts, to promote and perpetuate traditional folk arts throughout the State (1983); the Works of Art Special Fund, which created a non-lapsing fund allowing for the long-term planning and completion of public art projects (1989); the Individual Artist Fellowship Program to recognize and honor exceptionally talented visual and performing artists (1993); and the Hawai'i State Art Museum, which opened in the fall of 2002 with three galleries featuring artworks from the Art in Public Places Collection.

The SFCA also plays a significant role in arts education, convening the Hawaii Arts Education Partners in 2001, to “fully implement the terms of the Hawaii arts education strategic plan” (Act 306, Session Laws of Hawaii 2001), as part of the national criteria for a vital arts education program.

In 2008, SFCA grants comprised \$249,000 in state general funds and generated matching funds of \$1,026,000 from private, federal, and other sources. Artists in the Schools received \$215,000 in general funds and \$225,000 in private matching funds. ARTS FIRST received \$640,391 in state funding and \$1,828,963 in private and federal funds. These three programs alone generated \$3,079,963 in non-state revenue to match \$1,104,391 in state support. It is estimated that these grants partially funded more than 2,300 tax-paying jobs and resulted in arts organizations attracting more than \$12,000,000 to the State's economy.

SFCA is the designated arts agency for partnership with the National Endowment for the Arts (NEA), and in its 44-year association, SFCA has consistently met the NEA criteria to receive and distribute federal funds. If the proposed layoffs jeopardize the SFCA's ability to satisfactorily meet federal requirements, the SFCA would be in danger of losing its status as the NEA partner and eliminate the largest source of public funding for arts in the State.

Currently the SFCA has 28, full-time staff; layoff notices were issued on August 4, 2009, for ten staff, and on September 21, 2009, were rescinded for the Executive Director and Administrative Services Assistant.

**PRIORITY CONCERNS**

Overall, the potential savings of approximately \$500,000 from the proposed layoffs are far outweighed by the negative economic impacts. Based on the information and testimony received, your Ad Hoc Committee has identified the following priority concerns.

- Reducing the SFCA fiscal and clerical infrastructure would compromise the ability to conduct business effectively and efficiently. After elimination of the Accountant IV and Account Clerk III positions, the remaining Account Clerk III, currently funded by the Works of Art Special Fund, would be overwhelmed with the responsibility for processing \$7,000,000 from multiple funding sources through multiple contracts for all SFCA programs mandated by chapter 9, Hawaii Revised Statutes, including Art in Public Places, Hawaii State Art Museum, Biennium Grants, History and Humanities, Arts Education, Folk Arts, Individual Artist Fellowships and Awards, and Community Arts.
- Since the mid-1990's, the SFCA has lost three of six clerical positions, and the proposed layoff of the Secretary II and Office Assistant III positions would result in only one clerical position (Clerk Stenographer II) serving a staff of 20 and a commission of nine members. Responsibilities for purchasing, data entry, database maintenance, support to the SFCA Commission and the Executive Director would be compromised.
- Three of the positions are funded with 50 per cent Special Funds and 50 per cent general funds, and a request has been made to the NEA to convert these positions to half special and half federal funds instead of eliminating them completely.

- The SFCA has been advised that the NEA will freeze the federal funds, including ARRA stimulus funds, for FY 2010 if layoffs of administrative and fiscal positions occur. This freeze is based on the fact that Hawaii would not have “skilled professional staff to lead the agency, develop and implement programming consistent with the agency’s state arts plan,” and that these circumstances “would jeopardize the Foundation’s ability to retain its Partnership Agreement”.
- The SFCA-NEA Partnership Agreement must comply with the following:
  - ✓ Meet the following “legal Requirements”, as outlined in the NEA guidelines.
  - ✓ Be designated and financially supported by its state government.
  - ✓ Maintain sound fiscal and administrative procedures.
  - ✓ Provide for fair funding decisions that take into account artistic excellence and merit, as determined primarily through a panel process.
  - ✓ Have its own board, council, or commission.
  - ✓ Carry out a planning process that effectively involves the full range of arts constituents and the public.
  - ✓ Make the public aware of programs and make programs available in underserved communities throughout the state.
  - ✓ Provide leadership in arts education.
  - ✓ Provide information on agency-supported activities in accordance with federal reporting requirements.
- The responsibilities assigned to the abolished positions specializing in grants administration, history and humanities, individual artist fellowships and awards may be reassigned to the federally funded positions through a staffing reorganization. However, there are serious concerns over the capacity of three staff positions and their ability to implement all of our various grants (Biennium Grants, Artists-in-the Schools, Folk Arts Apprenticeships) and mandated (History and Humanities, Arts Education, Individual Artist Fellowships, Community Arts) programs satisfactorily.
- Positions funded by the Works of Art Special Fund are restricted to working under the Art in Public Places Program and Hawaii State Art Museum.
- The Department of Accounting and General Services does not consider the SFCA one of its “core functions”, and the Comptroller has testified that “the impact of the RIF of State Foundation and Culture and the Arts [*sic*] (SFCA) general funded positions has less adverse impact on services we provide, the functioning of government, and the health and safety of the public and State employees, than RIFs in other areas.” Furthermore, he could not provide specific criteria as to why the initial ten staff were issued layoff notices or why the Executive Director and Administrative Services Assistant were reinstated.

#### RECOMMENDATIONS

To address these priority concerns, your Ad Hoc Committee has developed the following recommendations.

- Require the Department of Accounting and General Services to provide no later than twenty days prior to the Regular Session of 2010, how DAGS and the SFCA will address the concerns raised by the NEA in letters dated August 18, 2009, and August 27, 2009, to ensure the continued receipt of NEA and American Recovery and Reinvestment Act of 2009 (ARRA) funds.
- Refer the findings of the Ad Hoc Committee to the Senate Committee on Economic Development and Technology and the Senate Committee on Ways and Means to:
  - ✓ Determine which state agency would provide the best support for the SFCA, given statements by the State Comptroller that indicated a condescending view of the SFCA and its role within DAGS.
  - ✓ Consider the efficacy of expanding the use of the Works of Art Special Fund to provide additional support to the SFCA.

Signed by Senator Russell S. Kokubun, Chair, on behalf of the Committee.

#### Spec. Com. Rep. No. 4

Your Senate Ad Hoc Committee, to which was referred:

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begs leave to report as follows:

#### BACKGROUND

On August 4, 2009, Governor Linda Lingle announced that the State would immediately begin delivering written layoff notices to the approximately 1,100 state employees who were previously notified their positions could be eliminated. In addition, the Governor announced the furlough of approximately 900 “exempt excluded” non-union state employees for three days per month effective September 1, 2009. These 900 employees were not covered by Judge Karl Sakamoto’s order barring the Governor from unilaterally implementing furloughs for union employees.

In response, you assigned the Senate Vice-President the responsibility of coordinating the Senate’s review and assessment of the impact to the community, economy, and environment from the reduction in government services due to budget restrictions and layoffs and furloughs of certain state employees, and announced formation of a Senate Ad Hoc Committee. For this purpose, the

Vice-President was appointed chair of the Ad Hoc Committee, with the Committee to be comprised of Senators interested in gaining more information about the proposed reductions in services.

As such, the Ad Hoc Committee conducted an informational briefing to gather information on the anticipated impacts on the community and public health within the County of Maui, arising from the anticipated reduction in force of Department of Health personnel especially in these program areas: vector control, public health nursing, adult mental health and child and adolescent mental health.

#### INFORMATIONAL BRIEFING

Your Committee conducted an informational briefing on September 9, 2009, in Wailuku, Hawaii. In attendance were Russell S. Kokubun, Chair; and Senators Rosalyn H. Baker, J. Kalani English, Norman Sakamoto, and Shan S. Tsutsui.

Prior to the informational briefing, a subpoena commanding appearance and testimony before your Committee was served on the Director of the Family Guidance Center, Maui, Child and Adolescent Mental Health Division, Department of Health.

Testimony was received from the Governor's Liaison for the Island of Maui; Family Guidance Center, Maui; Maui Community Mental Health Center; Maui Memorial Medical Center; Maui Aids Foundation; the Maui District Health Officer; and several individuals and representatives of community health providers. Video links of the briefings and selected testimony are available on the Legislature's website.

The Maui District Health Officer anticipates layoffs of 14 positions, approximately 10 per cent of the total number of positions, with a disproportionate share of cuts in vector control at nearly 70 per cent statewide. No position cuts are scheduled in public health nursing, but there will be a 20 per cent reduction due to the freeze on unfilled positions, including one nurse on Lanai and two of three nurses on Molokai, as well as Maui County's sexually transmitted disease specialist who left because of the lack of job security and cannot be replaced due to the hiring freeze. The losses in vector control will be particularly difficult, as vector control works closely with the Department of Agriculture, which has cut related positions that have been cross trained to assist in public health emergencies.

Adult mental health clinics have proven self sufficient for the past several years, generating 124 per cent of their operating costs in 2007-2008, with the excess income being contributed to the State's general fund. However, they anticipate a decrease in revenues in 2008-2009, due in part to the loss of 10 positions scheduled for layoffs, and will likely require general fund support.

Based on the information and testimony received, your Ad Hoc Committee has identified the following priority concerns.

#### PRIORITY CONCERNS

- Vector Control. Vector control works not only with the Department of Agriculture on pest control, they are also on the front line of immunization services. Health professionals are concerned about the impending H1N1 swine flu: they may have to rely on volunteers, but in the event of a health crisis these private sector "volunteers" may be doing "for profit" work and not be available to assist during a public health emergency. In addition, because cuts of vector control personnel are statewide, the islands cannot back each other up. Federal funds are available for vector control, but the grant is designated to hire two high-end professionals, not "on the ground" staff needed. Maui's vector control staff were key to stopping the dengue fever mosquito from taking control in Maui County several years ago. Without these staff the county and state are at greater risk.
- Maui Community Mental Health Center. Since 2003, the program has always generated more fees than needed to cover operating costs (as high as 180 per cent in 2006-2007), with the excess deposited into the state general fund. The Center must delete 10 positions, 9 of which are clerical. As a result, income generating staff (psychiatrists and psychologists) will have to assume clerical duties such as billing, and the resulting loss of efficiency is expected to contribute to an operating shortfall this fiscal year. The Center also handles the "hardcore" seriously, chronically mentally ill, and often handles forensic patients; without services from this program these "hardcore" patients will put a strain on Maui Memorial Medical Center, the jails, homeless shelters, and other social service providers. Delays in processing, which will result from the position cuts, will in turn result in increased costs to the court system. If there is no room in Maui Memorial Medical Center, the patients will have to remain incarcerated, at increased costs for mental health services or flown to Oahu to an already overcrowded state hospital.
- Maui Memorial Medical Center (MMMC or Maui Memorial). As a result of the loss of the social service safety net, Maui Memorial is seeing an increase in emergency room patients. This has a two-fold impact: emergency room treatment is the least efficient and most expensive form of health care. Under federal law, the hospital cannot turn patients away due to ability to pay, and the inability to pay results in greater operating deficits for an already strapped hospital system. There are already staff shortages at MMMC and threatened cuts in staffing or furloughs are of great concern to MMMC and the community. Hospitals are a 24/7, 365-day operation and must have a base line staffing pattern to ensure appropriate, quality care. Maui Memorial is concerned about maintaining a high quality of care should staff furloughs be ordered or if the hospital is denied access to its special funds (which the hospital raises from reimbursements for services rendered). It could reach the point that the hospital would prefer to shut down services rather than provide inadequate care due to lack of staffing. Maui Memorial is currently operating at capacity so that it cannot afford to lose any additional staff. It is important to remember that MMMC is the only acute care hospital on Maui. Any diminishment in services will place an extra burden on Oahu hospitals and increase the cost of care to public and private-pay patients.
- Maui Family Guidance Center. In July 2009, the average case load per coordinator was 15-20 cases. Since July, the Center has lost 10 care coordinators. The personnel cannot be replaced due to the hiring freeze imposed by the state administration and the caseload is now about 32 cases per coordinator. As a result of the additional 10 cuts in personnel, each coordinator's case load is anticipated to rise to 42 cases. The Center is also seeing a loss of quality of care in rural areas such as Hana where the coordinator has been transferred to the main office due to loss of staffing. In addition, there is concern about the State being sued due to inadequate services and a return of federal Felix consent decree oversight.

To address these priority concerns, your Ad Hoc Committee has developed the following recommendations.



**RECOMMENDATIONS**

- Request the Legislative Reference Bureau to review and analyze alternative federal public health funding sources, and whether current funding sources, such as the Tobacco Master Settlement Agreement, are being used efficiently and appropriately.
- Require the Department of Health to provide information on the reinstatement of services that will be lost or provided on a limited basis as a result of the anticipated layoffs.
- Refer the findings of the Ad Hoc Committee to the Senate Committee on Ways and Means and the Senate Committee on Health for further review and action during the 2010 Regular Session.

Signed by Senator Russell S. Kokubun, Chair, on behalf of the Committee.

**JOINT SPECIAL COMMITTEE REPORTS****Joint Spec. Com. Rep. No. 1**

The Joint Legislative Committee on Aging in Place (JLCAIP), created pursuant to Act 285, Session Laws of Hawaii (SLH) 2006, as the Joint Legislative Committee on Family Caregiving (JLFCF), and renamed pursuant to Act 220, SLH 2008, having been directed to report to the Legislature by Act 11, First Special Session Laws of Hawaii (SSLH) 2008<sup>1</sup>, entitled:

“A BILL FOR AN ACT RELATING TO CAREGIVING;”

begs leave to report as follows:

**PART I. INTRODUCTION AND BACKGROUND**

The JLCAIP is mandated to develop a comprehensive public policy to strengthen support for family caregivers who provide unpaid, informal assistance to persons sixty years of age and older with physical or cognitive disabilities and for grandparents raising grandchildren.

In December 2006, the JLCAIP 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. The JLCAIP has sought to support development of a comprehensive and sustainable, community-based family caregiver support system that has the following components:

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

To advance the Committee's goal, it has conducted work programs during the legislative interims of 2006, 2007, 2008, and 2009.

The members of the JLCAIP are: Senator Les Ihara, Jr. and Representative Marilyn B. Lee, Co-Chairs; Senators Rosalyn H. Baker, Suzanne Chun Oakland, and Fred Hemmings; and Representatives Karen Leinani Awana, Joey Manahan, and Corinne W.L. Ching.

This is the fourth report the JLCAIP has submitted to the Legislature. The previous report was Joint Special Committee Report No. 1, dated January 20, 2009, which is incorporated by reference in this report. Due to the State's current fiscal crisis, the JLCAIP decided to defer actions and recommendations that impact the fiscal condition of the State, and focused its work on monitoring ongoing projects. Thus, this report will serve as an update to the January 20, 2009, report.

Throughout the 2009 legislative interim, the JLCAIP met jointly with the Legislature's Kupuna Caucus to receive reports, updates, and solicit information on various aging-related topics. These meetings occurred on: July 3, August 7, September 4, November 6, and December 4, 2009.

Part II of this report will provide findings and recommendations in the areas of interest to the JLCAIP, which include: Kupuna Care and the Preservation of the Safety Net, Aging and Disability Resource Center, Grandparents Raising Grandchildren, Home for Life Task Force, Home Care Concierge Service, Fall Prevention, Home Care Agency Licensure, University of Hawai'i Center on Aging, and Long Term Care Commission.

Part III contains the conclusion.

**PART II. FINDINGS AND RECOMMENDATIONS**

During the 2009 legislative interim, the JLCAIP continued to gather information in areas that advance family caregiver support and improve conditions for enabling our elders to age in place. The State's fiscal crisis has prompted the JLCAIP to limit its recommendations to actions that do not require state funds or otherwise strain the resources of the State.

Recommendations for the following programs have been deferred due to fiscal constraints of the State: additional funding for the Kupuna Care Program, Aging and Disability Resource Center, University of Hawai'i Center on Aging, Sage PLUS for the neighbor islands, and cash and counseling model; new funding for a respite care directory, caregiver assistance, and home modification tax credits; and a funding mechanism to expand the paid family leave program to include family caregivers. However, some of these programs have been pursued because funds have been secured from federal or private sources.

Until it terminates on June 30, 2010, the JLCAIP will monitor progress on the following areas of interest and may take action, as needed.

**Kupuna Care and the Preservation of the Safety Net**

The Executive Office on Aging (EOA) and the four county agencies on aging have reported static funding levels since 2002 for Kupuna Care home and community based services, which serve as a de facto safety net for Hawaii's frail needy elderly. With growing inflation, Kupuna Care services have become insufficient to meet the needs of our frail elderly, with less adequate service than in the past. Not all needs are met and not all older adults in need of services receive services.

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<sup>1</sup> Act 11, SSLH 2008, reflects the Legislature's override of the Governor's item veto in Act 220, SLH 2008 (relating to appropriations for the Kupuna Care program). The Act will be referred to as Act 220 throughout this report.

Kupuna Care services consist of eight core services, including: case management, personal care, chore, homemaker, adult day care, attendant care, transportation, and home-delivered meals. Area agencies on aging provide Kupuna Care services based on the needs of their communities. Older adults are assessed and a care/service plan is developed to outline the services to be received.

Due to severe fiscal constraints, the Governor has not released additional funds appropriated for Kupuna Care. The JLCAIP has sought to monitor the county programs in order to identify emergency situations that may warrant special legislative and executive branch actions. Kupuna Care lists of eligible clients waiting for services are currently considered the best way to monitor this safety net program. While waitlists are a programmatic component not explicitly designed to measure the unmet needs of frail elderly, they do provide a general gauge for assessing the Kupuna Care safety net program in each county.

The JLCAIP has encouraged improvements in the methodologies and information systems used to report the number of persons on Kupuna Care waiting lists. The EOA and its designated area agencies on aging have made a concerted attempt to create waitlist data that better reflect unmet and under-served needs.

As of September 30, 2009, approximately 594 older adults were on the Kupuna Care waitlist statewide<sup>2</sup>. Waitlist data was also provided by service type, which showed that the largest unmet needs were: 150 unit-hours of homemaker services, 179 unit-hours of chore services, and 96 home-delivered meals. The EOA is continuing to work with area agencies on aging to improve their waitlist procedures to better reflect the needs of those waiting for Kupuna Care services within each county.

#### **Aging and Disability Resource Center (ADRC)**

In addition to a physical ADRC site in Hilo, an ADRC website ([www.HawaiiADRC.org](http://www.HawaiiADRC.org)) has gone online to provide statewide information and referral services on caregiving, home care, and other long term care services. The EOA was recently awarded three federal grants to enhance ADRC services and functions, including the:

- (1) Hospital discharge planning model;
- (2) ADRC Expansion Grant, which is a systems change and implementation towards becoming a fully functional ADRC through the development of a five-year ADRC operational plan and budget; and
- (3) Community Living Program, which establishes a targeted program of consumer-directed services, such as the cash and counseling model, and meets a goal to expand access statewide to a full functioning Hawaii ADRC by March 2011.

#### **Grandparents Raising Grandchildren (GRG)**

The Grandparents Raising Grandchildren Task Force, established by Act 220, SLH 2008, was mandated to identify: existing services to meet the needs of GRG, service deficiencies, barriers that prevent grandparents from accessing services, and actions needed to facilitate the provision of services to GRG. The 2007 Needs Assessment of Grandparents Raising Grandchildren in the State of Hawaii found that more than 14,000 grandparents are raising approximately 35,000 grandchildren.

The GRG Task Force conducted its work during the 2008 legislative interim and through June 2009. The final report of the task force, dated June 15, 2009, identified numerous deficiencies and problems in providing services to GRG, including: grandparents in senior public housing face eviction if they accept the care of a grandchild-in-crisis; the Department of Education does not generally inform GRGs about Affidavit for Caregiver Consent forms mandated by Act 99, SLH 2003; the Department of Health has not approved a form for the Affidavit of Caregiver Consent for Minor's Health Care as was required by Act 208, SLH 2005; and interference from recently released incarcerated persons in grandparents' care of grandchildren they have been raising, and for whom grandparents have been providing financial support.

The final report of the GRG Task Force contained many recommendations involving a number of departments. All departments are requested to increase GRG awareness and understanding on government procedures and availability of services. The Department of Education is requested to expedite approval of a simple Caregiver's Consent Form, transmit it with instructions to schools on how to implement Act 99, SLH 2003, train staff, send notices to parent and other organizations, and collect and submit data regarding aggregate information on persons submitting an Affidavit for Caregiver Consent.

Recommended requests also included: encouraging the Department of Health to establish policies and procedures to accept the Affidavit for Caregiver's Consent for Minor's Health Care for care at Family Guidance Centers; requesting changes in public senior housing rules to allow seniors to receive waivers to have a reasonable time to find new housing when they accept care of a grandchild; requesting the Department of Public Safety to provide information to persons prior to release from incarceration to support them in accepting responsibilities to their children; requesting the Department of Human Services to provide orientation and training to case workers to increase sensitivity and support to GRGs; and recommending the inclusion of GRG concerns in the Hawaii Four-Year Plan on Aging authored by the Executive Office on Aging.

In discussions at meetings held jointly with the Kupuna Caucus and the JLCAIP, it was decided that legislative resolutions were not necessary for the Departments of Education and Health, and the Executive Office on Aging. A resolution regarding housing concerns will be introduced by Kupuna Caucus legislative leaders. The JLCAIP recommends adoption of resolutions to address the GRG Task Force recommendations involving the Departments of Human Services and Public Safety.

#### **Home for Life Task Force**

Senate Concurrent Resolution No. 7, S.D. 1, (2009) established the Home for Life Task Force to coordinate research and action to reduce barriers to aging in place and to facilitate multigenerational living. While the Senate President and Speaker of the House of Representatives have appointed members to the task force, the Governor has not done so. Until final members of the task force are appointed, an ad hoc task force has been meeting to advance the work program outlined in S.C.R. No. 7, S.D. 1.

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<sup>2</sup> The total statewide waitlist number includes people who may be waitlisted for more than one Kupuna Care service.

The JLCAIP recommends adoption of a resolution to allow the Home for Life Task Force to convene to fill vacancies and continue its work through the 2010 legislative interim and report to the legislature prior to the opening of its 2011 Regular Session.

#### **Home Care Concierge Service**

In its 2006 report, the JLCAIP recommended the establishment of a service referral program successfully used in Beacon Hill Village in Boston, Massachusetts. This program was shared with leaders in the State's aging network, and in May 2009, a program based on the Beacon Hill model was announced by St. Francis Healthcare System.

Called Stay Healthy at Home, the fee-based membership program provides a concierge of support care services to seniors on Oahu, including: access to automated health monitoring stations, case management review, chronic disease self-management training, in-depth personal assessment involving safety surveys of living areas, evaluation of emergency response systems, advance care planning consultation, and transition planning to long term care.

The main feature of the program is a referral service for fee-for-services to credible, prescreened providers. This service provides an added level of confidence to seniors who seek care services in their homes.

#### **Fall Prevention**

One third of the elderly in Hawaii fall each year, causing injuries that often lead to hospitalization and immobilities that require rehabilitation and long term care services. The physical and emotional cost of falls impacts the elderly as well as their caregivers.

However, falls are preventable with simple balance screening, medication reviews, vision exams, and other programs. Coordinated statewide public awareness and education programs are needed to increase the availability and accessibility of fall prevention programs for the elderly and their caregivers.

The JLCAIP recommends adoption of a resolution to establish a fall prevention task force to encourage collaboration and coordination among stakeholders, including health care facilities, government and nonprofit agencies, and community organizations and coalitions. The task force also would develop public awareness and education programs to increase the availability and accessibility of fall prevention programs for the elderly and their caregivers.

#### **Home Care Agency Licensure**

Act 21, First Special Session Laws of Hawaii 2009, was enacted to require licensing of home care agencies that provide services to the elderly and others who reside at home or in a home-like setting and are in need of supportive care. Fiscal constraints have prevented the implementation of licensing since the necessary staff to support the licensing function have not been funded. In the interim, an ad hoc committee, supported by the JLCAIP, has begun work on the development of the administrative rules to promote the advancement of the process without incurring costs. A request for an appropriation to fund the Department of Health licensing staff position(s) is anticipated in the 2011 Legislative Session when the State budget is expected to grow.

#### **University of Hawai'i Center on Aging**

For three consecutive years, the JLCAIP has recommended funding for the University of Hawai'i Center on Aging to hire paid staff, rather than continue its limited operations utilizing volunteer staff. Although no appropriation was approved, a private grant was received in December 2008. Beginning in August 2009, the Office of the Vice Chancellor, Research and Education, at the University of Hawai'i at Manoa allocated university funds to support the hiring of one full-time equivalent personnel to work on the Center on Aging's revitalization plan. Personnel include a part-time interim director and part-time specialists. The Center is working to build its infrastructure with federal research grants and is continuing its commitment to provide technical assistance to the community. It is currently contracted by the EOA to provide research and planning training to state and area agencies on aging staff, and has also applied for federal research grants.

#### **Long Term Care Commission**

Act 224, SLH 2008, established the Long Term Care Commission (LTCC). The Commission was not able to meet until November 2008, due to fiscal constraints, prompting the Governor not to release the funds appropriated for the Commission. However, the LTCC was able to secure funds from private sources, and has approved a work plan that includes two phases.

A contract for Phase I has been awarded that will: take stock of where Hawaii currently stands in meeting the long term care needs of its people, analyze the State's future long term care needs, and identify and recommend pathways and solutions to deal with that future.

Phase II of the work plan will: lay out data and options to finance the work of the Phase I plan, and recommend a five-year plan for prioritizing and phasing in reforms to the State's long term care system.

The JLCAIP recommends adoption of the LTCC's proposals to extend the term of the LTCC to the adjournment of the 2012 legislative session and postpone the deadline for its preliminary and final reports to the opening of the 2011 and 2012 legislative sessions.

### **PART III. CONCLUSION**

The JLC recommends that legislation be introduced in the 2010 legislative session to implement the recommendations outlined in this report. Co-chairs Senator Les Ihara, Jr. and Representative Marilyn B. Lee will draft legislation pursuant to these recommendations and offer co-sponsorship of the legislation to members of the JLCAIP and other legislators. While the JLCAIP is scheduled to terminate on June 30, 2010, it will monitor proposed legislation and may consider other actions as may be needed. The co-chairs of the JLCAIP wish to express their appreciation to JLCAIP members, some of whom have served since its inception in July 2006.

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

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. 1-10 on H.B. No. 1642**

The purpose of this bill is to ensure fair and equitable practices in procurement bid processes by:

- (1) Specifying that proposals for purchases of health and human services must be submitted by duly licensed providers, unless statutes do not require the business to be licensed to provide the service being bid on; and
- (2) Requiring the bid proposal to be all inclusive and not exceed the contract amount to be expended by the State, regardless of the tax status of the applicant.

Your Committee on Conference finds that the inequitable treatment of for-profit and not-for-profit companies in the procurement laws, when dealing with requests for proposals for purchases of health and human services, is of great concern. Specifically, the Administration's and Department of Human Services' practice of providing for-profit organizations rebates in the amount of the insurance premium tax of 4.265 percent, resulting in a higher award amount than the companies had bid. This may be seen as providing a waiver of taxes which is a power that belongs solely to the Legislature.

Further, under the State's procurement code, a proposed bid should reflect the total amount to be expended by the State on a contract including all costs, fees, and any taxes that may be due and owing.

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

- (1) Clarifying that a bid proposal should contain all costs, fees, and any taxes that the party submitting the bid proposal may be obligated to pay;
- (2) Prohibiting any award or contract to include any other payment, rebate, or direct or indirect consideration that is not included in the proposal, such as insurance premium or general excise tax rebates to or waivers for an applicant or bidder;
- (3) Making this measure effective upon its approval; and
- (4) 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. 1642, 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. 1642, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Taniguchi, Slom.

Managers on the part of the Senate.

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

Representatives Yamane, Mizuno, Nishimoto, Shimabukuro, Ward.

Managers on the part of the House.

Ayes, 5; Ayes with Reservations (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 2-10 on H.B. No. 1907**

The purpose of this bill is to address the State's fiscal challenges by temporarily:

- (1) Placing a cap on itemized deductions claimed on state income tax returns; and
- (2) Removing the refunding feature of the capital goods excise tax credit until January 1, 2016.

Your Committee on Conference has amended this bill by:

- (1) Changing the amounts at which itemized tax deductions claimed shall be capped and limiting the taxpayers to which the caps apply by adjusted gross income amounts, as follows:
  - (A) \$50,000 in the case of:
    - (i) A joint return of taxpayers with adjusted gross income of over \$300,000; or
    - (ii) A surviving spouse with adjusted gross income of over \$300,000;
  - (B) \$37,500 in the case of a head of household with adjusted gross income of over \$225,000;
  - (C) \$25,000 in the case of an individual with adjusted gross income of over \$150,000 who is not married and who is not a surviving spouse or head of household; and
  - (D) \$25,000 in the case of a married individual with adjusted gross income of over \$150,000 filing a separate return;
- (2) Changing the repeal date for the caps on the itemized deductions from December 31, 2015, to January 1, 2016;
- (3) Changing the effective date to July 1, 2010; provided that the provisions of the bill shall apply retroactive to January 1, 2010; 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. 1907, 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. 1907, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kokubun, Kidani.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 3-10 on H.B. No. 2866**

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

- (1) Establish a tax on the transfer of a taxable estate located in Hawaii by a nonresident who is not a citizen of the United States;
- (2) Amend the definition of "Internal Revenue Code" to include certain federal tax principles; and
- (3) Ensure the State's ability to capture or "pick-up" the state death tax credit as it existed in the Internal Revenue Code on December 31, 2000.

Your Committee on Conference has amended this bill by:

- (1) Specifying that a decedent shall be entitled to all applicable exclusion or exemption amounts as determined under the Internal Revenue Code as of December 31, 2009, before being subject to any taxes, including up to a \$3,500,000 applicable exclusion amount;
- (2) Applying the provisions of the bill to the estate of any individual who dies after April 30, 2010, rather than after March 31, 2010; 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. 2866, 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. 2866, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kokubun, and Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives M. Oshiro, Chong, Choy, and M. Lee.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 4-10 (Majority) on H.B. No. 2421**

The purpose of this bill is to promote economic development for Hawaii's locally produced food and energy industries, ensure food and energy self-sufficiency, and address environmental challenges relating to climate change, by providing the necessary funding, guidance, and infrastructure.

Specifically this measure, among other things:

- (1) Removes the cap on the balance in the Environmental Response Revolving Fund;
- (2) Renames the "environmental response tax" the "environmental response, energy, and food security tax" (Barrel Tax) and increases the amount of the tax from five cents to \$1.55 per barrel of petroleum product;
- (3) Exempts aviation fuel from the Barrel Tax;
- (4) Establishes a fuel tax exemption for petroleum products used by commercial air transportation providers;
- (5) Allocates moneys collected by the Barrel Tax to the:
  - (A) Environmental Response Revolving Fund (five cents);
  - (B) Energy Security Special Fund (ten cents);
  - (C) Energy Systems Development Special Fund (ten cents); and
  - (D) Agricultural Development and Food Security Special Fund (30 cents);
- (6) With respect to the Energy Security Special Fund:
  - (A) Authorizes expenditures therefrom:

- (i) To meet objectives of the Hawaii Clean Energy Initiative Program, including supporting the Department of Business, Economic Development, and Tourism's (DBEDT) energy division, including funding staff positions; and
  - (ii) To fund, to the extent possible, the Greenhouse Gas Emissions Reduction Task Force, Climate Change Task Force, and grants to economic development boards in each county and county economic development agencies to meet the objectives of the Hawaii Clean Energy Initiative Program;
- and
- (B) Requires DBEDT to report annually to the Legislature on the status of programs and activities funded by the Energy Security Special Fund;
- (7) Establishes the Hawaii Economic Development Task Force and:
- (A) Requires the task force to facilitate the adoption and completion of renewable-energy projects, energy-efficiency programs, and agricultural infrastructure and development;
  - (B) Appropriates an unspecified amount from the Energy Security Special Fund to support the task force; and
  - (C) Requires the task force to submit reports to the Legislature on its findings and recommendations, including activities funded by the Barrel Tax and the progress made toward energy and food self-sufficiency;
- (8) Establishes the Agricultural Development and Food Security Special Fund and:
- (A) Authorizes expenditures therefrom for activities intended to increase agricultural production and processing, including research on and testing of agricultural products and markets, promotion of agricultural products grown or raised in Hawaii, and funding of agricultural inspector positions in the Department of Agriculture (DOA);
  - (B) Requires DOA to report annually to the Legislature on the status of programs and activities funded by the Agricultural Development and Food Security Special Fund; and
  - (C) Appropriates therefrom unspecified amounts for, among other things: Varroa mite control and eradication, pest inspection and quarantine activities by DOA, expansion of DOA's Food Safety and Security Program, and DOA agricultural inspector positions;
- (9) Establishes the Hawaii Clean Energy Initiative Program to manage the state's transition to a clean energy economy and, among other things:
- (A) Requires the program to design, implement, and administer certain activities;
  - (B) Prior to taking any action, requires DBEDT to develop a plan of action that promotes effective prioritization and focusing of efforts consistent with the State's energy programs and objectives; and
  - (C) Requires DBEDT to report annually to the Legislature on the status and progress of new and existing clean energy initiatives;
- (10) Appropriates an unspecified amount from the Energy Security Special Fund for the Climate Change Task Force and the Greenhouse Gas Emissions Reduction Task Force;
- (11) Authorizes the Governor to establish positions necessary to manage energy projects funded by federal grants;
- (12) Effective June 30, 2015, repeals amendments made relating to the Environmental Response Revolving Fund; Energy Security Special Fund; the Environmental Response, Energy, and Food Security tax on a barrel of petroleum product, the allocations of the tax, the exemption of aviation fuel from the tax; the fuel tax exemption for petroleum products used by commercial air transportation providers; and the establishment and uses of the Agricultural Development and Food Security Special Fund; and
- (13) Provides for unexpended moneys remaining in the Agricultural Development and Food Security Special Fund upon its repeal, to lapse to the credit of the general fund.

Your Committee on Conference finds that this bill is such a critical component in the state's successful transition to energy and food self-sufficiency and preparing for the inevitable effects of climate change that its expedited passage is deemed appropriate. However, this bill contains appropriation provisions. Article VII, Section 9, of the Hawaii Constitution prohibits, with a few exceptions, the passage on final reading of appropriation bills before the supplemental appropriations bill is transmitted to the Governor. Further, your Committee on Conference finds that the language in the bill amending section 243-3.5, Hawaii Revised Statutes, is sufficiently explicit to exempt aviation fuel from the Barrel Tax. Accordingly, your Committee on Conference has amended this bill by, among other things:

- (1) Reducing the Barrel Tax to \$1.05 from \$1.55 and revising the allocation of the tax on each barrel of petroleum products as follows:
  - (A) 15 cents from 10 cents to the Energy Security Special Fund; and
  - (B) 15 cents from 30 cents to the Agricultural Development and Food Security Special Fund;

provided that any remaining balance shall be deposited to the credit of the general fund;

- (2) Deleting provisions relating to appropriations as follows:
  - (A) Appropriating from the Energy Security Special Fund unspecified sums to the:
    - (i) Hawaii Economic Development Task Force;

- (ii) Climate Change Task Force; and
  - (iii) Greenhouse Gas Emissions Reduction Task Force;
- and

- (B) Appropriating from the Agricultural Development and Food Security Special Fund unspecified sums for various pest control efforts, the Livestock Revitalization Program, water distribution systems, and agricultural inspector positions;
- (3) Adding a provision directing the Department of Business, Economic Development, and Tourism to study and analyze the Barrel Tax, including its amount and allocation, and its impact on accomplishing the goals and objectives of this bill and submit annual reports of its findings, recommendations, and any necessary proposed legislation to the Legislature at least 20 days prior to the convening of a regular session commencing with the 2011 Regular Session and ending with the 2015 Regular Session; and
  - (4) Deleting the fuel tax exemption for petroleum products used by commercial air transportation providers;
  - (5) Making technical, nonsubstantive amendments for style, consistency, and clarity.

Inasmuch as the following appropriation provisions of H.B. No. 2421, H.D. 2, S.D. 2:

- (1) Section 8 (an unspecified appropriation sum from the Energy Security Special Fund for the Hawaii Economic Development Task Force);
- (2) Section 10 (unspecified appropriation sums from the Agricultural Development and Food Security Special Fund for various pest control efforts, the Livestock Revitalization Program, water distribution systems, and agricultural inspector positions);
- (3) Section 12 (an unspecified appropriation sum from the Energy Security Special Fund for the Climate Change Task Force); and
- (4) Section 13 (an unspecified appropriation sum from the Energy Security Special Fund for the Greenhouse Gas Emissions Reduction Task Force),

were deleted to constitutionally permit the expeditious passage of this bill, your Committee on Conference respectfully requests the House Committee on Finance and the Senate Committee on Ways and Means to include the substance of the aforesaid bill sections in the supplemental budget and appropriate the necessary amount of funds to accomplish their respective purposes.

As affirmed by the record of votes of the managers 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. 2421, 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. 2421, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Gabbard, Fukunaga, Kim, Kokubun.

Managers on the part of the Senate.

Ayes, 5; Ayes with Reservations (Fukunaga). Noes, none. Excused, none.

Representatives Morita, Tsuji, M. Oshiro, Coffman, Wooley, Thielen.

Managers on the part of the House.

Ayes, 5. Noes, 1 (Thielen). Excused, none.

**Conf. Com. Rep. 5-10 on H.B. No. 1985**

The purpose of this bill is to address the current budget shortfall facing the State by, among other things:

- (1) Repealing the tax deduction for amounts given as political campaign contributions for taxable years beginning after December 31, 2010;
- (2) Increasing the tax on individual cigarettes and little cigars by one cent for sales on or after July 1, 2010, and increasing the same tax by an additional one cent for sales on or after July 1, 2011;
- (3) Temporarily doubling certain fees under sections 431:7-101(a) and (b), Hawaii Revised Statutes, and specifying that the increased fees be deposited equally into the Compliance Resolution Fund and the General Fund; and
- (4) Making permanent the fees for life settlement contract providers and life settlement contract brokers, including license issuance fees.

Your Committee has amended this bill by:

- (1) Extending the sunset for the increase to fees under sections 431:7-101(a) and (b), Hawaii Revised Statutes, from July 1, 2013, to July 1, 2014;
- (2) Changing the effective date of this bill from July 1, 2050, to July 1, 2010; 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. 1985, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1985, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kokubun, Kidani.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 6-10 on H.B. No. 1900**

The purpose of this bill is to enable the State to process military personnel actions in a timely manner by recognizing the designations of prisoner of war (POW) and missing in action (MIA) as valid descriptions of casualty status and category classification.

Your Committee believes that the POW and MIA designations are fitting and proper to recognize the men and women of our country who have gone to war to fight for and protect our freedoms, as well as to combat tyranny and oppression of peoples throughout the world.

Your Committee has amended this measure by changing the effective date to upon its approval. 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. 1900, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1900, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Takai, Ward.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 7-10 on H.B. No. 2376**

The purpose of this bill is to improve the accountability of Hawaii's public education system by proposing a constitutional amendment to the Hawaii Constitution to provide for a Board of Education (BOE) whose voting members shall be appointed by the Governor, with the advice and consent of the Senate, from pools of qualified candidates presented to the Governor by the BOE Candidate Nomination Commission, as provided by law.

Your Committee on Conference has amended this bill by:

- (1) Changing the constitutional provision to specify that all BOE members shall be nominated and, by and with the advice and consent of the Senate, appointed by the Governor, as provided by law;
- (2) Including a constitutional provision for a period of transition from the elected to the appointed BOE, as provided by law, in the Hawaii Constitution;
- (3) Accordingly, changing the question to be printed on the ballot to read, "Shall the Board of Education be changed to a board appointed by the Governor, with the advice and consent of the Senate, as provided by law?"; and
- (4) Changing the effective date to upon compliance with Article XVII, Section 3, of the Hawaii Constitution.

As affirmed by the record of votes of the managers 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. 2376, 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. 2376, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Galuteria, Nishihara, Hemmings.  
Managers on the part of the Senate.  
Ayes, 5; Ayes with Reservations (Taniguchi, Nishihara). Noes, none. Excused, none.

Representatives Takumi, Karamatsu, M. Oshiro, Berg, M. Lee, Nakashima, Finnegan.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, 1 (Berg).

**Conf. Com. Rep. 8-10 on H.B. No. 1862**

The purpose of this bill is to extend for two years the temporary prohibition against urinating or defecating in public within the boundaries of downtown Honolulu. This prohibition would sunset on December 31, 2014. This bill also requests the Honolulu Police Department to study the effectiveness of this prohibition and to report on the number of citations issued for this violation.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1862, 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. 1862, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Luke, Rhoads, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Marumoto).

**Conf. Com. Rep. 9-10 on H.B. No. 2077**

The purpose of this bill is to clarify the age limits for high school by:

- (1) Providing that no person who is 20 years of age or over on the first instructional day of the school year is eligible to attend a public school; provided that if a person reaches 20 years of age after the first instructional day of the school year, that person is eligible to attend public school for the full school year; and
- (2) Repealing the authority of the Superintendent of Education to grant exceptions for individual cases.

Your Committee on Conference is concerned that laws and practices should not extend an age limit for general education and special education students to enter public schools merely for the sake of allowing them to remain in school for a longer period of time. However, noting the significant effects of discontinuing special education services for the students served through them, your Committee on Conference suggests that:

- (1) The Special Education Advisory Council (SEAC) meet with other stakeholders during the interim to discuss a transition plan for special education students moving out of the public education system; and
- (2) SEAC, after taking into consideration its discussions with the other stakeholders, submit its recommendations to the Legislature prior to the convening of the Regular Session of 2011.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2077, 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. 2077, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kidani, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Takumi, Berg, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 10-10 on H.B. No. 2631**

The purpose of this bill is to reduce the unnecessarily burdensome reporting requirements on the petroleum industry required by the Petroleum Industry Monitoring, Analysis, and Reporting Program (Reporting Program) under Chapter 486J, Hawaii Revised Statutes (HRS), while requiring information deemed essential for the Department of Business, Economic Development, and Tourism (DBEDT) to perform its functions by, among other things:

- (1) Repealing the Reporting Program, its special fund, and the requirement that the Public Utilities Commission (PUC) analyze the collected data; and
- (2) Establishing the Energy Data Collection Program that:
  - (A) Includes development and maintenance of an energy database system that meets the requirements of government and industry, while promoting sound policy making, energy planning, energy assurance planning, and energy security; and
  - (B) Requires refiners and distributors to submit monthly reports to the Director of Business, Economic Development, and Tourism on various fuels imported, exported, sold, transferred, used, refined, manufactured, compounded, and distributed in the state, among other information pursuant to section 486J-3, HRS (monthly statements).

Your Committee has amended this bill by:

- (1) Changing the title of Chapter 486J, HRS, to "Energy Industry Information Reporting Act";
- (2) Specifying that the monthly statements be filed with the Research and Economic Analysis Division of DBEDT;
- (3) Changing the scope of data that is exempt from public disclosure under the Uniform Information Practices Act to the monthly statements and the data contained therein;
- (4) Changing the effective date to July 1, 2010; 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. 2631, 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. 2631, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Gabbard, Taniguchi, Tsutsui, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Hemmings).

Representatives Morita, Herkes, Karamatsu, Coffman, Ching.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 11-10 on H.B. No. 2533**

The purpose of this bill is to ensure fair and equitable conditions under which a state or county retiree may be reemployed by the State or a county by:

- (1) Establishing conditions for reemployment of a retirant in certain positions without reenrollment in the Employee Retirement System (ERS) or loss or interruption of retirement benefits;
- (2) Requiring the retirant to reimburse the ERS for any retirement allowance or other benefit paid during the reemployment if in violation of the retirant reemployment law, plus eight percent annual interest;
- (3) Requiring the retirant and the employer to pay the employee and employer contributions that should have been paid during the reemployment if in violation of the retirant reemployment law, plus eight percent annual interest; and
- (4) Requiring the employer and retirant to reimburse the ERS for administrative expenses incurred in responding to the violation, to the extent the retirant is determined to be at fault.

Various conditions in the recent past, including low unemployment, along with retirement, made it difficult for the counties and State to meet their workforce demands and an aging baby boomer generation is expected to exacerbate this problem. Allowing counties and the State to re-hire retirees to work in government was intended to help resolve the problem until workforce numbers increased, while at the same time allowing for experienced individuals to pass on their knowledge and skills to newly hired personnel. However, the ERS had several concerns with such actions, including the necessity for employers to continue to make retirement contributions and the incorporation of a waiting period prior to the rehiring of an employee to prevent perceived "double dipping" by a retiree who would be receiving a salary and retirement benefits by being rehired. Your Committee finds that this measure addresses ERS's concerns and allows the State and counties to address workforce demands in a fair way.

Your Committee also finds that this measure is important to ensure the status of the ERS as a tax-qualified retirement plan is maintained by providing penalties for retirants who are reemployed in violation of this new retirant reemployment law, and the Internal Revenue Code of 1986, as amended.

After further consideration, your Committee has amended this bill by changing its effective date from January 3, 2055, to January 1, 2011.

As affirmed by the record of votes of the managers 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. 2533, 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. 2533, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Kim, Slom.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Rhoads, M. Oshiro, Yamashita, Pine.

Managers on the part of the House.

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

**Conf. Com. Rep. 12-10 on H.B. No. 1190**

The purpose of this bill is to enhance traffic safety and assist police in expediting the investigation of fatal traffic accidents by requiring the police departments of each county to:

- (1) Identify the roadways, or class of roadways, most critical to the free movement of persons and commerce; and
- (2) Establish protocols necessary to coordinate major accident investigations with law enforcement and other authorities having jurisdiction over the location of a major traffic accident.

Major accidents, especially ones that include fatalities, often result in the conducting of on-site investigations of the accident. These on-site investigations and their resulting lane closures can last for several hours and cause numerous problems for commuters, with recent traffic-incident investigations having caused delays lasting from two to eight hours. Coordinating major accident investigations between law enforcement and other agencies, including the medical examiner's office in cases of fatal traffic accidents, may help alleviate this problem and allow for the speedier restoration of normal traffic flow.

After further consideration, your Committee on Conference has amended this measure by changing its 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 H.B. No. 1190, 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. 1190, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Karamatsu, Awana, Saiki, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Saiki).

**Conf. Com. Rep. 13-10 on H.B. No. 2020**

The purpose of this bill is to expand county enforcement of traffic regulations on public streets, roads, or highways whose ownership is in dispute between the State and the county, and on certain private streets, highways, or thoroughfares, to include laws relating to county vehicular taxes, motor vehicle safety responsibility, traffic violations, use of intoxicants while operating a vehicle, motor vehicle insurance, motorcycle and motor scooter insurance, and odometers.

There are hundreds of miles of private roadways throughout the state that are open to the public. However, questions have been raised regarding the legality of police officers enforcing traffic laws on these roadways. According to the Hawaii Police Chief, the District Court of the Third Circuit has questioned whether traffic laws such as those relating to seatbelt and child restraint violations, driving under the influence, and no-fault insurance requirements may be enforced on these private roads. This measure will clarify and address these issues.

After further consideration, your Committee has amended this measure by changing its effective date from September 14, 2047, to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2020, 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. 2020, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Karamatsu, Nakashima, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 14-10 on H.B. No. 1854**

The purpose of this bill is to allow use of the Food Distribution Program Revolving Fund for program-related expenses, such as consultant or personal services, travel expenses, and the purchase of furniture, equipment, computer hardware, or office supplies, as allowed under Title 7, Section 250.15, of the Code of Federal Regulations.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2010; 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. 1854, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1854, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tsutsui, Galuteria, Kidani, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Takumi, M. Lee, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 15-10 on H.B. No. 2676**

The purpose of this bill is to temporarily exempt contracts made by the Kaho'olawe Island Reserve Commission for the procurement of food or fuel products from the Hawaii Public Procurement Code, Chapter 103D, Hawaii Revised Statutes.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010; 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. 2676, 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. 2676, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Nishihara.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Carroll, McKelvey, Keith-Agaran, C. Lee, Shimabukuro, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (McKelvey).

**Conf. Com. Rep. 16-10 on H.B. No. 2239**

The purpose of this measure is to remove the exemption of dietary supplement beverage containers from the deposit beverage container recycling program.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2050, to July 1, 2010; and
- (2) Making technical, 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 H.B. No. 2239, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2239, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morita, Coffman, Ching.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. 17-10 on H.B. No. 2266**

The purpose of this bill is to address sexual abuse in prisons by requiring the Department of Public Safety (PSD) to:

- (1) Prioritize the establishment of counseling services for victims of sexual assault in prisons, and transparency standards for zero-tolerance policies regarding sexual assault;
- (2) Provide annual data to the Legislature regarding acts of sexual assault and sexual misconduct against persons in PSD custody; and
- (3) Report to the Legislature on any implementation of the federal Prison Rape Elimination Act of 2003 (Federal Act) in state correctional facilities under PSD's jurisdiction.

Sexual abuse in correctional facilities threatens the fundamental rights of prisoners to safety, dignity, and justice. Your Committee on Conference finds that this measure facilitates the establishment of policies and standards to prevent the occurrence of prison rape and provide appropriate treatment to victims.

Your Committee on Conference has amended this bill by:

- (1) Requiring PSD's report on the implementation of the Federal Act to include such efforts in correctional facilities under contract with PSD; and
- (2) 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. 2266, 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. 2266, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Tsutsui, Galuteria.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Hanohano, Aquino, Pine.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Pine).

**Conf. Com. Rep. 18-10 on H.B. No. 1987**

The purpose of this bill is to stop the illegal importation, sale, and transfer of fireworks by taking the following actions against those activities:

- (1) Expanding the definition of “fireworks” to include fireworks that are labeled as samples, even if not intended for sale;
- (2) Establishing a nuisance action under the Penal Code to abate those activities;
- (3) Giving citizens who bring an action to abate those activities the same rights and protections of victims and witnesses in criminal proceedings; and
- (4) Subjecting to the forfeiture laws, property used or intended to be used and proceeds acquired in the commission or attempted commission of those activities.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1987, 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. 1987, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Hanohano, Karamatsu, M. Lee, Manahan, Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 19-10 on H.B. No. 1684**

The purpose of this bill is to prevent and reduce the intentional introduction and spread of invasive species by:

- (1) Establishing a petty misdemeanor offense for any person who violates the provisions governing importation of certain agricultural items;
- (2) Establishing a class C felony offense for intentionally importing, possessing, harboring, transferring, or transporting, including through interisland or inraisland movement, any pest designated by statute or rule unless otherwise allowed by law; and
- (3) Expanding the presumption regarding whether a person possesses the “intent to propagate” to include pests designated by statute or rule.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1684, 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. 1684, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Tsuji, Morita, Souki, Karamatsu, Wooley, Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Karamatsu).

**Conf. Com. Rep. 20-10 on H.B. No. 2289**

The purpose of this bill is to protect holders of gift certificates by amending Hawaii’s gift certificate law to:

- (1) Extend the minimum expiration period for gift certificates from two years to five years;
- (2) Allow limited issuance or activation fees; and
- (3) Amend the definition of “gift certificate.”

Your Committee on Conference finds that under the current law, Hawaii’s definition of “gift certificate” includes prepaid debit cards, and state chartered banks and savings and loan associations are prohibited from issuing them. Because Hawaii’s gift certificate law does not apply to federally chartered banks and savings and loan associations, those institutions are free to issue prepaid debit cards, placing state chartered institutions at a competitive disadvantage. This measure aims to harmonize Hawaii’s definition of “gift certificate” with the federal Credit Card Act of 2009, thus helping state chartered institutions compete in the Hawaii market.

Your Committee on Conference further finds that extending the minimum expiration date of gift certificates to five years is also consistent with the Credit Card Act of 2009 and is more consumer friendly than the previous expiration date of two years. However,

your Committee on Conference recognizes that the cost of keeping accounts open for up to five years, as well as the cost of issuing and maintaining open-loop prepaid cards is greater than the costs of one-use paper cards, and a one-time activation or issuance fee will help to allay these costs.

Your Committee on Conference has amended this measure by:

- (1) Reinstating the exemption from the gift certificate law for gift certificates issued to a nonprofit organization; and
- (2) Providing that the expiration date for paper gift certificates shall not be less than two years from the date of issuance of the certificate.

As affirmed by the record of votes of the managers 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. 2289, 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. 2289, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 21-10 on H.B. No. 2283**

The purpose of this bill is to:

- (1) Require all officers and employees of the State and each county who are conducting public procurement to do so in an ethical manner, as described in the measure; and
- (2) Require that any person, including any actual or prospective bidder, offeror, contractor, or business taking part in public procurement to act in good faith to practice purchasing ethics, and display business integrity, as described in the measure.

Your Committee on Conference finds that Hawaii Administrative Rules section 3-131-1.02 is similar to this measure, which is intended to strengthen and emphasize the State's commitment to ethical procurement practices, and enhance public confidence in the integrity of the procurement process.

Your Committee on Conference has amended this bill by:

- (1) Removing references to "any person," which might be read to apply this bill to a broader range of interactions than intended;
- (2) Changing the effective date to upon its approval; 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. 2283, 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. 2283, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Nishihara, Takamine.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Takamine).

Representatives McKelvey, Choy, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 22-10 on H.B. No. 1863**

The purpose of this bill is to:

- (1) Establish solicitation of prostitution near schools or public parks as a misdemeanor offense and add this offense to those solicitation offenses counted toward "habitual prostitution offender" status; and
- (2) Extend the sunset date for Act 192, Session Laws of Hawaii 2008, which established the criminal offense of habitual solicitation of prostitution, to June 30, 2012.

Your Committee has amended this bill by:

- (1) Deleting language that establishes solicitation of prostitution near schools or public parks as a misdemeanor offense and adds this offense to those solicitation offenses counted toward "habitual prostitution offender" status; and
- (2) Changing the effective date to June 29, 2010.

As affirmed by the record of votes of the managers 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. 1863, 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. 1863, H.D. 1, S.D. 1, C.D. 1.



Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Luke, Rhoads, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 23-10 on H.B. No. 1992**

The purpose of this bill is to make permanent the intermediate appellate court judges' express authority to subpoena witnesses, compel the production of evidence, and administer oaths.

Your Committee on Conference has amended this bill by changing its effective date to June 29, 2010.

As affirmed by the record of votes of the managers 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. 1992, 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. 1992, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Luke, Tsuji, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 24-10 on H.B. No. 2595**

The purpose of this bill is to strengthen and bring fairness to the general excise tax (GET) system by:

- (1) Precluding a taxpayer from using a GET benefit, including exemptions, deductions, lower rates, or income splitting, unless the taxpayer follows specified administrative requirements;
  - (2) Creating a personal liability for businesses that use the GET to ensure that those funds are paid to the State;
  - (3) Requiring taxpayers to:
    - (A) Provide certain information relating to claims for GET credits or exemptions from the GET to the Department of Hawaiian Home Lands (DHHL) and the Hawaii Housing Finance and Development Corporation (HHFDC); and
    - (B) Consent to the public disclosure of the information as a condition of claiming a credit against or taking an exemption from the GET;
- and
- (4) Allowing the Department of Taxation (DOTAX) to conduct periodic reviews of all housing projects for which a claimant has received a GET exemption.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the administrative requirements for taxpayers to claim a GET benefit;
- (2) Removing the provisions pertaining to providing information relating to claims for GET credits or exemptions to DHHL and HHFDC;
- (3) Removing provisions that would have allowed DOTAX to conduct periodic reviews of housing projects for which a claimant received a GET exemption;
- (4) Removing the provisions which exempted amounts received by certain persons listed in section 237-23, Hawaii Revised Statutes (HRS), since every person listed in that section is completely exempt from the chapter;
- (5) Removing the provisions for the limited exemption for certain amounts listed in section 237-24, HRS, because that section states that Chapter 237, HRS, specifically does not apply to every amount listed;
- (6) Changing the effective date to July 1, 2010; and
- (7) 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. 2595, 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. 2595, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives M. Oshiro, Chong, Choy, M. Lee, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 25-10 on H.B. No. 1818**

The purpose of this bill is to support the successful transition from incarceration back to the community by authorizing the Department of Public Safety to offer cognitive behavioral therapy with cultural and other interventions in reentry/reintegration programs at Hawaii's correctional facilities.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1818, 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. 1818, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hanohano, Carroll, Aquino, Awana, Shimabukuro, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Carroll).

**Conf. Com. Rep. 26-10 on H.B. No. 2288**

The purpose of this bill is to prohibit real property deed restrictions or other covenants running with the land from requiring transferees to pay fees for the future transfer of the property, except certain fees or charges relating to:

- (1) Payments to a lender on a mortgage loan secured by the property;
- (2) Payments to a condominium association, cooperative housing corporation, limited-equity cooperative, or planned community association pursuant to a declaration, covenant, or law applicable to the association or corporation;
- (3) Lease payments and charges to landlords;
- (4) Payments to the holder of an option to purchase an interest in real property, or holder of a right of first refusal or first offer to purchase such interest, for waiving the option or right upon transfer of the property to another person;
- (5) Payments by a developer of real property for resale to others;
- (6) Payments to a government entity;
- (7) Payments made pursuant to a deed restriction or other covenant running with the land required by a litigation settlement approved by a court before the effective date of this bill; and
- (8) Payments to a qualified organization for its management of conservation land or for educating the new owners of the property on the conservation restrictions imposed upon the property.

Private transfer fees created through a deed restriction or covenant on real property require every buyer of the property to pay the fee to the party that created that restriction. Because this transfer fee is paid every time the property is transferred, the party imposing the restriction retains a perpetual interest in the transferred property. These fees may create prohibitive costs for homeownership, negatively impact the marketability of real property, discourage buyers, and depress property values. This bill would prohibit these fees while exempting certain usual and customary fees, assessments, or charges that are typical for various real property transactions.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that any deed restriction, covenant running with the land, or lien:
  - (A) To the extent that it purports to secure the payment of a transfer fee prohibited by this bill; and
  - (B) Created, filed, or recorded on or after the effective date of this bill;

is void and unenforceable;

- (2) Inserting a sunset date of June 30, 2015, for the provisions of this bill; 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. 2288, 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. 2288, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Karamatsu, Ito, Sagum, Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 27-10 on H.B. No. 2497**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Carbon Bio-Engineers Inc, with the development of non-fossil fuel energy production.

Your Committee has amended this measure by correcting a reference to the proper name of the industrial enterprise to be assisted by this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2497, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2497, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Tsutsui, Green.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Coffman, Ching.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. 28-10 on H.B. No. 2919**

The purpose of this bill is to provide equity in benefits to people doing similar work by expanding the definition of “sewer worker” to include sewer maintenance working supervisors, wastewater collection system inspection supervisors, wastewater collection system district supervisors, and wastewater collection system field services supervisors.

Your Committee on Conference recognizes the concerns presented by the Employees’ Retirement System (ERS) regarding expanding the definition of “sewer worker” under section 88-21, Hawaii Revised Statutes, as it will enable a greater number of employees to take early retirement without reduction for age as long as the member has at least 25 years of service. ERS also indicated that this action will increase the ERS’ \$6.2 billion unfunded actuarial accrued liability, and it is contrary to the moratorium on benefit enhancements set in place by Act 256, Session Laws of Hawaii 2007. However, your Committee on Conference finds that this bill would have a minimal impact as, according to the City and County of Honolulu’s Department of Human Resources, there are only seven employees who would receive this benefit enhancement should this bill become law and that it is fair and appropriate to provide similarly situated employees who perform substantially similar duties with comparable benefits under the ERS.

After further consideration, your Committee on Conference has amended this bill by changing its effective date from January 3, 2055, to July 1, 2011.

As affirmed by the record of votes of the managers 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. 2919, 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. 2919, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Yamashita, Pine.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Pine).

**Conf. Com. Rep. 29-10 on H.B. No. 2831**

The purpose of this bill is to authorize the Natural Energy Laboratory of Hawaii Authority (NELHA) to acquire, hold, and sell qualified securities subject to certain conditions, and to accept monetary donations, property, and services, from government agencies, corporations, or individuals.

Additionally, this measure defines the term “qualified security” and requires NELHA to include information relating to qualified securities and the acceptance of monetary donations in its annual report.

Your Committee on Conference finds that NELHA has been offered equity securities from tenants and investors in exchange for leases of property under its control. However, the Attorney General has informed NELHA that it does not have the statutory authority to accept or hold any equity securities and could be subject to lawsuit. This measure will expand the ability of NELHA to conduct business with tenants, potential investors, and donors, by authorizing NELHA to accept and use qualified securities, donations, or other monetary awards.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2831, 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. 2831, 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 McKelvey, Choy, Evans, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 30-10 on H.B. No. 1978**

The purpose of this measure is to provide consumers of tow services with greater protection and convenience by requiring towing companies:

- (1) In counties with populations greater than 500,000 persons, to operate 24 hours per day, seven days a week and offer services including the release of vehicles in storage;
- (2) To maintain insurance of at least:
  - (A) \$500,000 for bodily injury;
  - (B) \$200,000 for property damage;
  - (C) \$175,000 for on-hook coverage; or
  - (D) \$1,000,000 for a combined single limit of liability,
 to protect owners of towed vehicles from, among other damages, bodily injury in the course of towing;
- (3) To allow payment of fees for towing services and storage of the vehicle to be made in cash or by debit card, credit card, insurance company check, or commercial check issued by a licensed towing company dispatched by the registered or legal owner or insurer; and
- (4) Where a vehicle is left unattended without authorization, to accept payment from a registered owner, insurer, or a designated representative of the property owner by, among other means, debit card, insurance company check, or commercial check.

Consumers and businesses alike have encountered problems in obtaining the release of vehicles from towing companies because currently, tow-companies are only required to be in operation 24 hours a day, seven days a week if they operate in a county with a population greater than 500,000 persons and want to be entitled to overtime charges. Because of this inability to retrieve their vehicles in a timely manner, consumers and businesses are often faced with increased towing costs due to storage fees.

Tow-companies are also required to maintain insurance coverage sufficient to protect owners of towed vehicles in the event of vehicle loss or damage due to towing. However, according to the Hawaii State Towing Association, some tow-companies only maintain no-fault insurance to satisfy this requirement which in actuality may not be sufficient to cover damages to today's higher end vehicles.

Your Committee on Conference has amended this bill by:

- (1) Establishing, under Hawaii's Statewide Traffic Code, provisions relating to the release of vehicles and methods of payment for consensual towing services;
- (2) Deleting the provisions relating to a vehicle left unattended without authorization from the property owner;
- (3) Changing the effective date from January 1, 2011, to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1978, 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. 1978, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Baker, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Karamatsu, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 31-10 on H.B. No. 2061**

The purpose of this bill is to assist members of the United States Armed Forces, Armed Forces Reserves, and National Guard by statutorily establishing a process by which the family court can resolve matters regarding child custody and visitation for those members whose military duties require temporary absences.

Your Committee on Conference has amended this bill by extensively revising its provisions to provide, among other things:

- (1) Definitions for “deployment” and “deployed,” “deploying parent” and “deployed parent,” “military service,” and “other parent”;
- (2) That the provisions of the new part added by this bill will only apply to actions initiated under the Annulment, Divorce, and Separation, and Uniform Parentage Act chapters of the Hawaii Revised Statutes;
- (3) That each parent must cooperate and provide necessary information, including notification of deployment at least 60 days prior to the likely start of the deployment if known, or within ten days of the deploying parent’s receipt of deployment orders;
- (4) That the Family Court may expedite custody hearings involving deploying parents and may allow already-deployed parents to participate in custody hearings using specified electronic means;
- (5) That deployment or the potential for future deployment must not be the sole factor in custody awards and that if deployment or the potential for future deployment results in a modification of prior custody or visitation terms, the court must include specified conditions;
- (6) Authorization to the Family Court to include specified requirements for visitation and contact; and
- (7) That a deployed parent’s contact rights may be delegated to specified individuals during the deployed parent’s deployment with certain conditions.

Your Committee on Conference has also amended this bill by:

- (1) Changing the effective date to August 1, 2010; 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. 2061, 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. 2061, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Chun Oakland, Taniguchi.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Mizuno, McKelvey, Brower, Belatti, Evans, Ward.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 32-10 (Majority) on H.B. No. 869**

The purpose of this bill is to assist rental motor vehicle companies in dealing with traffic violations committed by renters by:

- (1) Extending the period of time within which the rental motor vehicle company must provide a lessee’s name and address upon notice that a rental motor vehicle has been involved in a traffic violation from 45 to 60 days; and
- (2) Clarifying that the period of time within which the rental motor vehicle company must provide the lessee’s name and address begins on the date of the mailing of the notice of violation.

Currently, when a person driving a rental car in Hawaii is cited for a traffic violation, the rental car company has 45 days to respond to the notice of a traffic infraction. If the rental car company does not respond within this timeframe, the company is required to pay the full fine. However, as the registered owners of a rental car are often a parent company located on the continental United States, it may take additional time for a notice of infraction to be received and processed by the company, thereby causing a delay in their response. Allowing additional time for the company to respond and clarifying that the time period begins on the date of the mailing of the notice will create deadlines that rental car companies would be better able to meet.

After further consideration, your Committee on Conference has amended this bill by changing its effective date from July 1, 2075, to July 1, 2010.

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

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Karamatsu, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 33-10 on H.B. No. 2349**

The purpose of this bill is to expand the class of emergency services providers protected against assault and terroristic threatening by including physicians, physician's assistants, nurses, and nurse practitioners providing medical services in an emergency room of a hospital (Protected Providers).

Your Committee on Conference has amended this bill by:

- (1) Specifically including certified registered nurse anesthetists, respiratory therapists, laboratory technicians, radiology technicians, and social workers as Protected Providers;
- (2) Changing the effective date to upon its approval; 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. 2349, 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. 2349, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Green.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Karamatsu, Belatti, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 34-10 on H.B. No. 2575**

The purpose of this bill is to ensure quality care is provided in the state's trauma care facilities by giving statewide emergency and trauma system multidisciplinary quality assurance and peer review subcommittees convened and conducted by the Department of Health (DOH) for the purposes of making system improvements, peer review protections similar to those applicable to peer review committees formed by hospitals and health maintenance organizations.

Your Committee on Conference has amended this bill by:

- (1) Deleting:
  - (A) Provisions authorizing DOH to form multidisciplinary peer review committees; and
  - (B) Duplicative provisions regarding quality assurance committees' access to patient care records and system performance data for the purpose of making recommendations to DOH for statewide trauma system improvements;

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. 2575, 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. 2575, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Karamatsu, Belatti, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. 35-10 on H.B. No. 2688**

The purpose of this bill is to clarify the rational link between the benefits sought and charges made on the users and beneficiaries of the Environmental Health Education Fund by:

- (1) Changing the name of the Environmental Health Education Fund to the Sanitation and Environmental Health Special Fund (Special Fund); and
- (2) Allowing the use of Special Fund moneys for sanitation program activities, including permitting, inspections, enforcement, and the hiring of additional inspectors.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2010; 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. 2688, 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. 2688, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Ige, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, M. Oshiro, Nishimoto, Finnegan.  
Managers on the part of the House.  
Ayes, 4; Ayes with Reservations (Finnegan). Noes, none. Excused, none.

**Conf. Com. Rep. 36-10 on H.B. No. 2450**

The purpose of this bill is to extend the applicability of Act 173, Session Laws of Hawaii 2009 (Act 173), which facilitated the financing and development of renewable energy projects by exempting leases and easements pertaining to certain renewable energy projects from the subdivision approval requirement, to include agricultural-energy facilities on plantation community subdivisions. This bill further provides that any renewable energy project receiving an exemption from subdivision that fails to apply for subdivision approval from the agency that originally granted the subdivision exemption within two years of obtaining the exemption, forfeits the original exemption.

Your Committee on Conference finds that development of renewable energy resources is a critical component in the State's overall goal of energy independence and a clean energy economy. Your Committee on Conference also finds that the purpose of the subdivision requirements need not be in conflict with the State's energy goals, if the exemptions are prudently applied to appropriate situations.

Your Committee on Conference has amended this bill by replacing the contents of this bill with the provisions in the H.D. 1. As amended, this bill extends the provision under Act 173 exempting leases and easements pertaining to certain renewable energy projects from the subdivision approval requirement, to include renewable energy facilities on:

- (1) Agricultural lands approved by the Land Use Commission or county planning commission under the state's land use laws; and
- (2) Conservation lands permitted or approved by the Board of Land and Natural Resources under the laws regulating the state's conservation district lands.

This bill further provides that these provisions be repealed on July 1, 2013, at the time the provision under Act 173 exempting leases and easements pertaining to certain renewable energy projects from the subdivision approval requirement is repealed.

As affirmed by the record of votes of the managers 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. 2450, 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. 2450, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, English, Hee (does not concur), Hooser, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Hooser).

Representatives Morita, Ito, Tsuji, Thielen.  
Managers on the part of the House.  
Ayes, 4; Ayes with Reservations (Thielen). Noes, none. Excused, none.

**Conf. Com. Rep. 37-10 on H.B. No. 2725**

The purpose of this bill is to sufficiently preserve the health and well-being of a pet animal by:

- (1) Establishing a definition of a primary pet enclosure; and
- (2) Amending the definition of "necessary sustenance" to include a broader range of care needed for the adequate care of pet animals.

Your Committee on Conference has amended this bill by:

- (1) Adding a purpose section;
- (2) Clarifying that the definition of "primary pet enclosure" is not meant to refer to enclosures used for animals raised for meat or egg production;
- (3) Changing the effective date to January 1, 2011; and
- (4) 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. 2725, 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. 2725, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Nakashima, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 38-10 on H.B. No. 2661**

The purpose of this bill is to improve the availability of organ donations by establishing that, when an authorized person other than the decedent approves an anatomical gift of the decedent's body or body parts, only an express statement by a person or persons authorized to amend or revoke the earlier approval will amend or revoke that decision.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon its approval; 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. 2661, 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. 2661, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Karamatsu, Belatti, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 39-10 on H.B. No. 2397**

The purpose of this bill is to ensure compliance with the federal National Defense Authorization Act for Fiscal Year 2010, P.L. 11-84 (federal Act), which requires states to mail absentee ballots to uniformed and overseas voters no later than 45 days prior to federal elections by:

- (1) Moving the date of the primary election to the second Saturday of August; and
- (2) Requiring nomination papers to be filed no later than 4:30 p.m. on the first Tuesday in June of an election year.

Your Committee on Conference has amended this bill by:

- (1) Specifying the complete name of the federal Act in the purpose and findings section of the bill;
- (2) Changing the effective date to January 1, 2011; 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. 2397, 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. 2397, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Nishihara, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Karamatsu, B. Oshiro, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 40-10 on H.B. No. 1212**

The purpose of this bill is to protect from public disclosure the record of complaints including all dispositions compiled as part of an inquiry into an individual's fitness to be granted or to retain a license.

Your Committee on Conference has amended this bill by:

- (1) Providing that there is no significant privacy interest for the record of complaints including all dispositions compiled as part of an inquiry into an individual's fitness to be granted or to retain a license, but in the case of persons licensed under Title 25, Professions and Occupations, the provision only applies to the record of complaints resolved against that person;
- (2) Changing the sunset date from July 1, 2014, to July 1, 2013; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference notes that the reference to a resolved record of complaints is intended to include warning letters and other intermediary final actions that may be taken before sanctions and penalties are incurred, but is not meant to include hearings and investigations.

As affirmed by the record of votes of the managers 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. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1212, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Choy, Mizuno, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Mizuno).

**Conf. Com. Rep. 41-10 on H.B. No. 2644**

The purpose of this bill is to clarify that the solid waste management surcharge applies to all solid waste disposal facilities that receive solid waste for ultimate disposal through landfilling, incineration, or through a waste-to-energy facility whether in-state or out-of-state that are regulated by the office of solid waste management.

Your Committee on Conference has amended this bill by:

- (1) Adding a purpose section;
- (2) Changing the effective date to July 1, 2010; 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. 2644, 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. 2644, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morita, Coffman, Tokioka, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. 42-10 on H.B. No. 1665**

The purpose of this bill is to prevent the loss of Hawaiian fishponds, a valuable cultural resource, and encourage their restoration and preservation by prohibiting the sale of public lands on which government-owned Hawaiian fishponds are located.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to 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. 1665, 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. 1665, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 43-10 on H.B. No. 2604**

The purpose of this bill is to improve the integrity and security of State-issued driver's licenses and identification cards by aligning state law with the requirements of the REAL ID Act. Specifically, this measure extends the maximum term of a commercial driver's license from six years to eight years for persons 21 years through 71 years of age.

This bill also appropriates \$8,000 out of the State Highway Fund to implement the extension.

Your Committee on Conference notes that the intent of the proposed change is to prepare for the REAL ID Act, which is a nationwide effort to improve the integrity and security of state-issued driver's licenses and identification cards with the objective of

fighting terrorism and reducing fraud. This measure also provides greater consistency between the various identification cards and licenses in Hawaii.

After further consideration, your Committee on Conference has amended this bill by changing the effective date from July 1, 2050, to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2604, 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. 2604, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Awana, Pine.  
Managers on the part of the House.  
Ayes, 3; Ayes with Reservations (Pine). Noes, none. Excused, none.

**Conf. Com. Rep. 44-10 on H.B. No. 865**

The purpose of this bill is to increase efficiency in the maintenance of highways in Hawaii by, among other things:

- (1) Creating a pilot project to transfer the Department of Transportation's (DOT) statutory maintenance functions, and applicable funding, for state highways on Maui, Molokai, and Lanai to the County of Maui;
- (2) Transferring officers, employees, records, and appropriations from DOT to the County of Maui Department of Public Works;
- (3) Maintaining the State's ownership of the state highways included in the pilot project during the project's duration;
- (4) Requiring DOT to create an equitable proportionate funding formula for Maui County for highway maintenance functions;
- (5) Allowing Maui County to adopt administrative rules to supersede state administrative rules when the county administrative rules are more stringent than state administrative rules regarding highway maintenance;
- (6) Creating the State and Maui County Transportation Working Group (Working Group) to plan the implementation of the pilot project;
- (7) Requiring DOT and Maui county to report to the Legislature regarding the implementation of the project; and
- (8) Establishing a sunset date of December 31, 2016, for the pilot project.

Hawaii differs from the rest of the nation because its unique geography as an island state does not lend itself to a truly intrastate or interstate highway system. This situation has resulted in a system where the State, through DOT, holds jurisdiction over all federal-aid highways while the counties hold jurisdiction over all other roadways and highways. However, it has also resulted in duplicative functions being performed, with both the State and counties sharing overlapping functions for the maintenance of highways. As a result, funds may be unnecessarily spent on routine highway maintenance. Given the fiscal crisis currently facing the State, it would be prudent to examine the elimination of duplicative state and county highway functions.

On the other hand, your Committee on Conference understands concerns raised that the implementation of such a pilot project may be premature at this time and that it would be more prudent for the working group established in this measure to conduct a feasibility study on the transfer of state highway maintenance functions to the counties. Accordingly, your Committee on Conference has amended this bill by:

- (1) Deleting all provisions relating to the creation of a pilot project and the transfer of state highway maintenance functions, including among other things, the transfer of moneys, officers, employees, and records, to Maui County;
- (2) Mandating that the Working Group conduct a study to determine the feasibility of transferring all applicable state highway maintenance functions to counties with populations that, according to the United States Census Bureau, had a population between one hundred thousand and one-hundred thirty-five thousand in the 2000 Census, rather than planning the implementation of the pilot project;
- (3) Requiring the Working Group to submit a report to the Legislature on the feasibility study, including any problems, implementation plans, necessary legislation, and any other relevant information no later than twenty days prior to the convening of the Regular Session of 2011;
- (4) Changing the effective date from July 1, 2050, to July 1, 2010;
- (5) Deleting the sunset date of December 31, 2016; and
- (6) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 865, 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. 865, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kim, Tsutsui, Hemmings.

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

Representatives Souki, Ito, Awana, Keith-Agaran, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Ito, Keith-Agaran).

**Conf. Com. Rep. 45-10 on H.B. No. 415**

The purpose of this bill is to direct the Auditor to conduct a financial and management audit of the Department of Public Safety's (PSD) contract with the Corrections Corporation of America and the federal detention center in Honolulu.

Your Committee on Conference has amended this bill by:

- (1) Streamlining the contents of the bill to focus more on the audit and less on the implications of the closure of Kulani correctional facility;
- (2) Clarifying that PSD's contract is not with the Corrections Corporation of America specifically, but for prison beds and services outside of Hawaii; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 415, 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. 415, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kim, Kidani, Kokubun.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Hanohano, Aquino, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 46-10 on H.B. No. 2692**

The purpose of this bill is to require the Director of Civil Defense (Director) to work with the appropriate county civil defense agencies to prepare a disaster preparedness plan for the 44<sup>th</sup> and 45<sup>th</sup> representative districts.

Your Committee on Conference has amended this bill by:

- (1) Making the preparation of the plan by the Director discretionary, rather than mandatory;
- (2) Authorizing the Director to work with the mayor or deputy director of civil defense of the City and County of Honolulu to prepare the plan, rather than with the appropriate county civil defense agencies;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2692, 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. 2692, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hanohano, Aquino, Awana, Herkes, Pine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 47-10 on H.B. No. 2505**

The purpose of this bill is to improve public access through the State's internet portal to government information and services by:

- (1) Establishing the Access Hawaii Committee Special Fund (Special Fund) and a funding mechanism for the Special Fund; and
- (2) Appropriating unspecified funds from the Special Fund to support the Access Hawaii Committee.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation amount of \$185,000; and
- (2) Changing the effective date to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2505, 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. 2505, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives M. Oshiro, Chong, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Chong).

**Conf. Com. Rep. 48-10 on H.B. No. 2157**

The purpose of this bill is to ensure adequate capacity for the provision of long-term care to persons with nursing facility level care needs by increasing capacity limitations from two to three nursing facility level residents in Type I Expanded Adult Residential Care Homes.

Your Committee on Conference has amended this bill by:

- (1) Inserting a sunset date of June 30, 2013;
- (2) Requiring the Department of Health to submit reports to the Legislature, including findings and recommendations, regarding the effect of the increased capacity of type I expanded adult residential care homes; and
- (3) Making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2157, 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. 2157, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Espero, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives Mizuno, Yamane, Brower, Bertram, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Bertram).

**Conf. Com. Rep. 49-10 on H.B. No. 979**

The purpose of this bill is to temporarily authorize funds from the Special Land and Development Fund and the Land Conservation Fund to be used for invasive species control and mitigation, reforestation, and sediment run-off mitigation.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2010; 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. 979, 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. 979, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ito, Morita, Har, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Morita).

**Conf. Com. Rep. 50-10 on H.B. No. 2084**

The purpose of this bill is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by appropriating state funds to maximize the availability of the federal disproportionate share hospital allowance. Specifically, this measure appropriates funds to:

- (1) Match the federal disproportionate share hospital allowance (Hospital Allowance) allocated to Hawaii for fiscal year (FY) 2010; and
- (2) Obtain a matching Hospital Allowance for prior FY expenditures by the State.

Your Committee on Conference has amended this bill by:



- (1) Extending until June 30, 2011, the lapsing of the appropriation authorized by Act 23, Special Session Laws of Hawaii 2009, so that previously allocated but unused funds may be used to secure the Hospital Allowance;
- (2) Changing the effective date to upon its approval; 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. 2084, 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. 2084, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Tsutsui, Hemmings.

Managers on the part of the Senate.

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

Representatives Yamane, M. Oshiro, Nishimoto, Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 51-10 (Majority) on S.B. No. 2650**

The purpose of this measure is to:

- (1) Clarify that in any contract entered into with a Medicaid healthcare insurance plan contractor that provides reimbursement to home and community-based case management agencies, the Department of Human Services shall include specified contract provisions that specify the duties and obligations of the Medicaid healthcare insurance plan contractor to the home and community-based case management agency; and
- (2) Require that all intake and eligibility services provided to recipients of public assistance under the Department of Human Services be performed directly by employees of the Department of Human Services.

Your Committee on Conference has deleted the contents of this measure and substituted provisions to:

- (1) Authorize the Governor, through the Department of Human Services, to develop and implement pursuant to administrative rules, an eligibility-processing operations division pilot project for the Department of Human Services' benefit, Employment and Support Services division; Social Services division; and Med-QUEST division that includes the intake, maintenance, and eligibility determination functions for public assistance, the supplemental nutrition assistance program, foster care services, and Medicaid services for benefit recipients in any county with a population of five hundred thousand or more; and
- (2) Prohibit the Department of Human Services from implementing any reorganization plan, proposed prior to the effective date of this measure, to transfer intake, maintenance, and eligibility determination functions for public assistance, the supplemental nutrition assistance program, foster care services, and Medicaid services to an eligibility-processing operations division.

The intent of this amended measure is to address the plan of the Department of Human Services to lay off nearly half of its 517 workers who process applications for government benefits and will shut down 31 eligibility offices statewide under a cost-cutting plan set to go into effect June 30. (*The Honolulu Advertiser*, March 30, 2010)

Your Committee on Conference finds that the planned new processing system would erect more barriers for low-income people seeking aid. Decreasing the number of workers available for face-to-face consultations will be devastating to the elderly and those with limited English skills. Furthermore, your Committee believes that a decrease in face-to-face interviews upon application for aid will increase the potential for fraud and abuse in the benefits system.

Your Committee on Conference has amended this measure accordingly to provide for a rational and systematic plan to establish a pilot program to process applications for several divisions of the Department of Human Services.

As affirmed by the record of votes of the managers 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. 2650, 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. 2650, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Kim, Hemmings.

Managers on the part of the Senate.

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

Representatives Mizuno, Yamane, Brower, Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 52-10 on S.B. No. 2405**

The purpose of this measure is to:

- (1) Amend section 235-7, Hawaii Revised Statutes, (gross income, adjusted gross income, and taxable income) to establish that no net operating loss carryback generated in taxable year 2009 under this chapter, may be claimed for taxable years 2007 and 2008, and no net operating loss carryback generated in taxable year 2010, may be claimed for taxable years 2008 and 2009 (part I);

- (2) Add a new section to chapter 235, Hawaii Revised Statutes, to establish caps on itemized tax deductions, ranging from \$50,000 to \$100,000, to be repealed on December 31, 2015 (part II); and
- (3) Amend section 235-110.7, Hawaii Revised Statutes, (capital goods excise tax credit) to remove the refunding feature of the capital goods excise tax credit from January 1, 2010, to December 31, 2015 (part III).

Your Committee on Conference has incorporated the provisions of this measure into H.B. No. 1907, H.D. 1, S.D. 1, C.D. 1, and replaced the contents of this measure with the Senate version, S.B. No. 2405, S.D. 2, and amended the effective date.

Specifically, this measure adopts changes to Hawaii's tax laws that will allow Hawaii to participate in the national Streamlined Sales and Use Tax Agreement by:

- (1) Moving the one-half of one per cent tax rate for wholesale transactions to a new chapter;
- (2) Adding a new chapter on the taxation of imports of property, services, and contracting;
- (3) Moving the 0.15 per cent tax on insurance producers to a new chapter;
- (4) Eliminating the tax on businesses owned by disabled persons;
- (5) Providing for destination-based sourcing and amnesty;
- (6) Establishing a 6-member committee, administratively attached to the Department of Taxation, to oversee the Department's implementation and administration of, and compliance with the Streamlined Sales and Use Tax Agreement; and
- (7) Making the Act effective when the State becomes a party to the Streamlined Sales and Use Tax Agreement; provided that section 32, which creates a committee to oversee the Department of Taxation's implementation and administration of, and compliance with the Streamlined Sales and Use Tax Agreement, shall take effect on 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. 2405, 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. 2405, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Kim, Baker, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives M. Oshiro, Chong, Choy, M. Lee.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 53-10 on S.B. No. 2402**

The purpose of this measure is to temporarily suspend the general excise and use tax exemptions for certain amounts received by certain persons and, instead, require those persons to pay the applicable tax on those amounts at a one per cent rate.

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

- (1) Deleting all provisions that apply to use tax exemptions;
- (2) Deleting from the suspension of the general excise tax exemption certain provisions relating to amounts of gross income or proceeds received;
- (3) Reducing the required rate of payment of the general excise tax by affected entities from one per cent to one-half of one per cent; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2402, 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. 2402, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Fukunaga, Kidani, Kokubun, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 5; Ayes with Reservations (Fukunaga). Noes, none. Excused, 1 (Tsutsui).

Representatives M. Oshiro, Chong, Choy, M. Lee, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, 1 (Finnegan). Excused, none.

**Conf. Com. Rep. 54-10 on S.B. No. 2807**

The purpose of this measure is to propose a constitutional amendment to the requirement, in article VII, section 6, of the Hawaii State Constitution, that excess general fund revenues be returned to taxpayers of the State as a tax refund or tax credit, by giving the Legislature the alternative of depositing these excess revenues into an emergency and budget reserve fund.

Your Committee has amended this measure by:

- (1) Changing the reference from “one or more emergency and budget reserve funds” to “one or more funds, as provided by law, which shall serve as temporary supplemental sources of funding for the State in times of an emergency, economic downturn, or unforeseen reduction in revenue,”; and
- (2) Making technical conforming amendments to language in the measure for clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2807, 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. 2807, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Taniguchi, Takamine, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives M. Oshiro, Karamatsu, Chong, Rhoads, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Thielen).

**Conf. Com. Rep. 55-10 on S.B. No. 2187**

The purpose of this measure is to improve the effectiveness of the Hawaii Tourism Authority (HTA) by:

- (1) Authorizing the HTA to maintain confidentiality of certain sensitive information;
- (2) Allowing information relating to marketing plans and strategies to be disclosed after the execution of the marketing plans and strategies;
- (3) Clarifying that HTA executive meetings shall adhere to the procedures established by chapter 92, Hawaii Revised Statutes;
- (4) Requiring the HTA to include in the measure of effectiveness of its marketing plan, documentation of the progress of the marketing plan towards achieving its strategic plan goals;
- (5) Requiring the HTA to periodically submit a report on its contracts and agreements, in conformity with HTA current practices; and
- (6) Extending for five years the statutory provisions that exempt HTA accounts from the supervision of the Comptroller, authorize the deposit of interest and revenues from projects and project agreements into the Tourism Special Fund, and authorize HTA to use up to five percent of moneys in the Tourism Special Fund for administrative expenses and pay the Executive Director up to nine percent of the funds authorized for administrative expenses.

Your Committee on Conference finds that this measure will enable the Hawaii Tourism Authority to respond more effectively to the challenges facing the Hawaii’s tourism industry in an increasingly competitive global market.

Your Committee on Conference has amended this measure by:

- (1) Amending the effective date from July 1, 2020, to upon approval; and
- (2) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2187, 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. 2187, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Taniguchi, Galuteria, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Hemmings).

Representatives Manahan, Tokioka, Marumoto.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Marumoto).

**Conf. Com. Rep. 56-10 on S.B. No. 2441**

The purpose of this measure is to protect the Hawaiian monk seal from harassment and death by establishing the crime of intentionally or knowingly taking a Hawaiian monk seal as a class C felony.

This measure is in response to two recent intentional killings of Hawaiian monk seals on Kauai and one on Molokai. In September 2009, a Kauai man pleaded guilty to shooting a monk seal in violation of the federal Endangered Species Act. The man received a ninety-day jail term, one year supervised release, and a \$25 fine.

With the number of monk seals increasing in the main Hawaiian islands, occurrences of human and seal interactions are on the rise. It is critical for the survival of the monk seals that Hawaii develop a culture of cohabitation, that will not tolerate any kind of inappropriate or violent behaviors toward these endangered animals. Your Committee finds that increased penalties for the intentional or knowing taking of an Hawaiian monk seal will protect the species from future harassment and death.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2441, 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. 2441, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Hee, Taniguchi, Hooser, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hooser).

Representatives Ito, Karamatsu, Choy, C. Lee, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Choy, Thielen).

**Conf. Com. Rep. 57-10 on S.B. No. 2607**

The purpose of this measure is to provide greater protections for consumers and providers of activity desks by:

- (1) Establishing record keeping and trust account requirements for client trust accounts held by activity desks;
- (2) Clarifying that activity desks shall include registration numbers on all advertising materials;
- (3) Requiring an activity desk to obtain full payment for activities prior to or at the time reservations are made, subject to certain exceptions;
- (4) Requiring that sums paid to an activity desk shall be held in trust; and
- (5) Increasing the required amount of bond or letter of credit from \$100,000 to \$250,000.

Your Committee on Conference finds that this measure will provide additional protection for customers as well as clarification of the legal requirements for activity providers.

Your Committee on Conference has amended this measure by:

- (1) Deleting the statutory authorization for the Director of Commerce and Consumer Affairs to allow, by rule, the use of other types of funds or accounts;
- (2) Amending the effective date from January 1, 2112, to July 1, 2010; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2607, 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. 2607, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Baker, Galuteria, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Slom).

Representatives Manahan, Wakai, Karamatsu, C. Lee, Tokioka, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Karamatsu, Tokioka).

**Conf. Com. Rep. 58-10 on S.B. No. 2566**

The purpose of this measure is to ensure that injured workers have access to appropriate health care by clarifying that a physician or surgeon may conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendation from a board-certified or licensed specialist, who may work in a facility where the physician or surgeon has a financial interest.

Your Committee on Conference finds that giving treating physicians the ability to conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendation has the potential to provide the injured worker with a quicker recovery, thus enabling them to return to work sooner. Your Committee on Conference also finds that permitting the injured worker to receive a one-time consultation from a specialist that works in a medical facility where the referring physician or surgeon has a financial interest will not prevent the injured worker from receiving diagnostic services from a qualified specialist that may have exceptional expertise in a particular field of medical study.

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

As affirmed by the record of votes of the managers 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. 2566, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2566, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Herkes, Yamashita, Tokioka, Pine.  
Managers on the part of the House.  
Ayes, 5; Ayes with Reservations (Pine). Noes, none. Excused, none.

**Conf. Com. Rep. 59-10 on S.B. No. 950**

The purpose of this measure is to alleviate potential violent situations by authorizing law enforcement officers of the Department of Public Safety and conservation and resources enforcement officers of the Department of Land and Natural Resources to use electric guns. This measure also requires these officers to receive training in the use of electric guns, and authorizes conservation and resources enforcement officers and law enforcement officers to be trained concurrently to encourage cost savings and ensure uniform training.

Electric guns provide a viable alternative to the escalation of the use of deadly force when dealing with non-compliant combative suspects, particularly in remote areas of the State. Electric guns reduce the risk of serious injury or death by providing a less-than-lethal means of exerting force when necessary.

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

As affirmed by the record of votes of the managers 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. 950, 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. 950, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hanohano, Ito, Karamatsu, Aquino, Pine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 60-10 on S.B. No. 2449**

The purpose of this measure is to make permanent the statutory requirements for provisional driver's licenses for persons who are at least 16 and under 18 years of age.

This measure also clarifies that a provisional licensee may be issued a driver's license upon turning 18 years of age, regardless of whether the provisional licensee has held the provisional driver's license for six months.

The purpose of provisional licensing is to improve traffic safety by establishing a driver licensing program consisting of graduated driver licensing in three stages for persons under the age of eighteen. Act 72, Session Laws of Hawaii 2005, is currently scheduled to sunset on January 9, 2011. The sunset date was added to Act 72 to enable the Department of Transportation and Department of Health to compile and analyze all traffic and accident data to determine the effectiveness of this graduated licensing program in reducing traffic fatalities and accidents in the State.

Since the enactment of Act 72, the number of deaths among teens involved in collisions was reduced by sixty per cent for sixteen year olds and the same for seventeen year olds. The number of lives saved attributable to Act 72, as well as the number of crashes reduced, is proof positive of Act 72's effectiveness.

Your Committee on Conference has amended this measure by deleting the savings clause, and by making a technical, clarifying amendment.

As affirmed by the record of votes of the managers 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. 2449, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2449, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Karamatsu, Awana, Saiki, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Saiki).

**Conf. Com. Rep. 61-10 on S.B. No. 2019**

The purpose of this measure is to:

- (1) Change the five-year permit for commercial thrill craft and parasailing to a one-year permit;
- (2) Remove the twenty-year limit for thrill craft and parasailing permits, and make those permits renewable annually; and
- (3) Require the Department of Land and Natural Resources to offer for public auction permits that have been revoked for failure to meet the conditions for renewal.

Your Committee on Conference finds that all other commercial use permits are issued on a year-to-year basis and are renewed annually, and this measure will bring permits for thrill craft and parasailing into conformity with other commercial permits.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement to offer for public auction permits that have been revoked for failure to meet the conditions for renewal;
- (2) Changing the effective date from July 1, 2020, to July 1, 2010; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers 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. 2019, 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. 2019, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ito, Har, Sagum, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Thielen).

**Conf. Com. Rep. 62-10 on S.B. No. 2817**

The purpose of this measure is to require every private homeowners association or entity to adopt rules by December 31, 2011, that shall not impose conditions or restrictions that render a solar energy device more than twenty-five per cent less effective, increase the cost of installation, maintenance, and removal of a solar energy device by more than fifteen per cent, or require an encumbrance on title relating to liability because of the placement of the solar energy device.

Your Committee finds that clarification of existing laws regarding private restrictions on the placement of solar energy devices is needed, because some homeowners associations may, by rule, put up obstacles for people who wish to install solar water heaters and photovoltaic systems on their single-family dwellings or townhouses. Your Committee further finds that solar energy systems are an integral part of reaching Hawaii's clean energy goals and are becoming increasingly common. Solar is one of the most substantial and readily available forms of clean energy that is available in the State. This measure serves to eliminate obstacles for residents and therefore encourage continued widespread adoption of solar energy devices.

Your Committee has amended this measure by:

- (1) Clarifying that rules for the placement of solar devices must be revised by July 1, 2011;
- (2) Clarifying that a private homeowners association or entity shall not require an encumbrance on title by removing the provision requiring that it relate to liability; and
- (3) Repealing on June 30, 2015, the provision that a private entity shall not require an encumbrance on title.

As affirmed by the record of votes of the managers 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. 2817, 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. 2817, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Baker, Green.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Green).

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

**Conf. Com. Rep. 63-10 on S.B. No. 2150**

The purpose of this measure is to extend the repeal date to June 30, 2014, for certain jurisdictional responsibilities of the appellate courts.

Your Committee on Conference finds that, pursuant to Act 202, Session Laws of Hawaii 2004, the Legislature made significant changes to the way that our appellate courts function, by:

- (1) Amending the appellate jurisdiction of the Supreme Court and the Intermediate Court of Appeals (ICA) by changing the Supreme Court's jurisdiction to appeals by writ of certiorari or transfer from the ICA;
- (2) Repealing criteria for assigning appeals; and
- (3) Requiring most appeals to be filed with the ICA instead of the Supreme Court.

These changes were to become effective on July 1, 2006, after a task force created by Act 202, the appellate review task force, had the opportunity to thoroughly study and develop recommendations to assist the Judiciary in transitioning to the new appellate model. By Act 94, Session Laws of Hawaii 2006, the Legislature amended Act 202 by imposing a sunset date of June 30, 2010, for the new appellate jurisdictional scheme, and required the Judiciary to prepare and submit to the Legislature prior to the convening of the 2010



Regular Session a report containing a detailed assessment of the effects and consequences of the changes to the appellate court system brought on by the changes in Act 202.

The resulting report from the Judiciary regarding the effects of the new appellate system was very positive. Your Committee on Conference finds that the implementation of Act 202 has resulted in reductions in the total number of cases pending on appeal. Moreover, the time that it takes to resolve cases on appeal has dropped significantly since Act 202 was implemented. Finally, it appears these reductions in case backlog and case processing times did not negatively affect the quality of the work of the ICA, since the proportion of cases the Supreme Court was asked to review has also dropped since Act 202 was implemented.

Accordingly, your Committee on Conference believes that the changes in appellate structure have been successful and that the changes should be made permanent.

Your Committee on Conference has amended this measure by deleting the repeal date in Act 202, making the jurisdictional responsibilities established in Act 202 permanent.

As affirmed by the record of votes of the managers 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. 2150, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2150, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Keith-Agaran, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 64-10 on S.B. No. 2257**

The purpose of this measure is to allow the Department of Education, Department of Accounting and General Services, and University of Hawaii to accept electronically mailed warrant vouchers for bills of materials, supplies, and incidentals as original documentation.

Your Committee on Conference finds that this measure provides an opportunity for the State to streamline and expedite certain business transactions, save valuable resources and time, and keep current with business practices that take advantage of technological advances.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2020, to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2257, 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. 2257, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tokuda, Tsutsui, Kidani, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Takumi, Chang, Choy, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 65-10 on S.B. No. 2256**

The purpose of this measure is to:

- (1) Authorize the Department of Education to assess and collect fees for parking on roadways and in parking areas under the jurisdiction of the Department and to adopt rules relating to the assessment and collection of the parking fees;
- (2) Authorize the Department of Education to contract with the Department of Accounting and General Services or a private entity to assess and collect the parking fees; and
- (3) Specify the appropriate funds into which the parking fees shall be deposited.

Your Committee on Conference finds that this measure would provide the Department of Education with a much-needed additional source of revenue to address recent restrictions and reductions in funding for public education.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2020, to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2256, 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. 2256, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tsutsui, Kidani, Galuteria, Hemmings.  
Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Takumi, M. Lee, Saiki, Ching.  
Managers on the part of the House.

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

**Conf. Com. Rep. 66-10 on S.B. No. 2169**

The purpose of this measure is to abolish the practice of shark finning.

Specifically, this measure:

- (1) Prohibits the harvest, possession, sale, or distribution of a shark or shark parts unless landed whole and harvested under a commercial marine license; and
- (2) Prohibits under the Hawaii Food, Drug, and Cosmetic Act, the possession or sale of shark fins.

The practice of shark finning, where a shark is caught, the fin is cut off, and the shark is returned to the water, causes tens of millions of sharks to die a slow death each year. Unlike other fish species, most sharks do not reach sexual maturity until seven to twelve years of age and then only give birth to a small litter of young. Thus, sharks cannot rebuild their populations quickly once they are overfished. Sharks are apex marine predators and play an important role in maintaining healthy marine ecosystems. As noted in a Honolulu Advertiser opinion piece on February 9, 2010, shark finning is "a cruel and wasteful practice that damages the marine ecosystem by killing off the ocean's most expert predators." Your Committee finds that existing federal and state law is inadequate to effectively abolish the practice of shark finning. This measure is a broad, all-inclusive stand against shark finning, and asserts Hawaii's position as a leader for shark conservation.

Your Committee has amended this measure by:

- (1) Amending the purpose section to reflect the changes to the measure;
- (2) Removing the provision that requires exceptions to the prohibition against harvesting, possessing, selling, offering for sale, trading, transferring, or distributing sharks or shark parts be established by a preponderance of the evidence;
- (3) Exempting persons holding a license or permit issued by the Department of Land and Natural Resources to conduct research or for educational purposes;
- (4) Providing that prior to July 1, 2011, a restaurant may possess, sell, offer for sale, trade, or distribute shark fins possessed by that restaurant as of the effective date of this measure which are prepared for consumption;
- (5) Specifying the penalties for a second, third, or subsequent violation of this measure;
- (6) Clarifying that any person who violates this measure shall be subject to any other penalties authorized by section 188-70, Hawaii Revised Statutes, in addition to administrative fees and costs and attorney's fees and costs;
- (7) Removing the definitions of "land" or "landed" and "whole";
- (8) Removing the amendments to section 328-6, Hawaii Revised Statutes, relating to the Hawaii Food, Drug, and Cosmetic Act;
- (9) Repealing section 188-40.5, Hawaii Revised Statutes, relating to the ban on the practice of shark finning;
- (10) Removing the severability clause;
- (11) Changing the effective date to July 1, 2010; and
- (12) Making technical, nonsubstantive 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. 2169, 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. 2169, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Taniguchi, Bunda, Takamine, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Bunda).

Representatives McKelvey, Ito, Karamatsu, Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 67-10 on S.B. No. 2020**

The purpose of this measure is to help stabilize Hawaii's economy by addressing some of the burdensome or vague provisions of existing commercial and industrial leases of certain lands within urban districts by extending the sunset date for Act 189, Session Laws of Hawaii 2009 (Act 189), to June 30, 2011.

Specifically, Act 189 clarifies provisions in long-term commercial and industrial ground leases without:

- (1) Substantial reduction in the economic benefit to the owners or impact on their ownership of the land;
- (2) Impairing their lease contracts; and

- (3) Incurring the taking of any property rights without due process of law.

Your Committee on Conference finds that the conditions that prompted the passage of Act 189 still continue to exist today. The solvency and continued profitability of small businesses remains a fundamental goal in reviving the economic stability of the State. Your Committee on Conference also finds that extending the effective date of Act 189 is necessary to alleviate the economic burden on lessees of certain commercial and industrial properties by removing barriers that prevent free and fair rent negotiations.

Your Committee on Conference has amended this measure by:

- (1) Extending the repeal date of Act 189 to June 30, 2013; and
- (2) Changing the effective date of the measure to June 29, 2010.

As affirmed by the record of votes of the managers 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. 2020, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2020, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives McKelvey, Karamatsu, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 68-10 on S.B. No. 2545**

The purpose of this measure is to allow class 14 brewpub licensees to:

- (1) Manufacture up to thirty thousand barrels of malt beverages on the licensee's premises during the license year;
- (2) Sell malt beverages manufactured on the licensee's premises in brewery-sealed containers directly to class 14 licensees; and
- (3) Conduct manufacturing activities at one location other than the licensee's premises, so long as the manufacturing takes place in Hawaii and the other location is properly licensed under the same ownership.

Your Committee on Conference believes that reasonable hours of restriction on operations should be enacted for restaurants or other premises where food, beverages, or entertainment are provided.

Your Committee on Conference is cognizant of the recent trend of restaurants to become BYOB ("bring your own bottle") establishments. The simplicity and flexibility of the BYOB format appeals to restaurant operators. Freed of being subject to liquor regulation, BYOBs are popular particularly among quaint restaurants and are growing in numbers on Oahu and beginning to grow on the neighbor islands. However, licensed liquor establishments pay licensing fees while BYOBs do not. The liquor licensing fees are applied to enforcement, which include BYOBs that do not pay licensing fees.

Your Committee has amended this measure by:

- (1) Creating a new class 17 bring-your-own-beverage license which shall be mandatory for counties with a population of over 500,000 and permissive for counties with a population of 500,000 or under, and establishing requirements for a class 17 license;
- (2) Restricting the consumption of liquor in restaurants or other premises where food, beverages, or entertainment are provided to the hours between 6:00 a.m. and 12:00 a.m. and requiring establishments that desire to operate after 12:00 a.m. until 2:00 a.m. to obtain a class 17 license;
- (3) Requiring Class 17 licensees to maintain at all times liquor liability insurance coverage in an amount not less than \$1,000,000, except for class 4 convenience minimarts commonly referred to as neighborhood mom and pop stores;
- (4) Allowing a patron of any class of license premises to remove wine, liquor, or beer that was purchased or brought onto the premises of the licensee engaged in meal service for consumption with a meal; provided that it is recorked or resealed in its original container;
- (5) Clarifying the provision of existing law that prohibits a license to be issued to any person not deemed by the Liquor Commission to be a fit and proper person to have a license;
- (6) Changing the effective date to July 1, 2010; and
- (7) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers 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. 2545, 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. 2545, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Wakai, Karamatsu, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 69-10 on S.B. No. 2646**

The purpose of this measure is to establish three Hawaii surfing reserves, comprising surf breaks off Waikiki from Kewalo Basin to the Waikiki War Memorial Natatorium, the north shore of Oahu from Alii Beach in Haleiwa to Sunset Beach, and Honolulu Bay on the island of Maui, to recognize their importance as an asset to Hawaii.

Your Committee on Conference finds that surfing has profound historical and cultural significance for Hawaii, and that the designation of Hawaii surfing reserves would raise awareness about the importance of protecting, nourishing, and recognizing Hawaii's world famous surf sites.

Your Committee on Conference has amended this measure by:

- (1) Clarifying in the findings section that surfing reserves would not limit enjoyment of the designated area, particularly with respect to existing recreational and other uses;
- (2) Amending the boundary description of the Waikiki Hawaii surfing reserve from bounded by Kewalo Basin and the Waikiki War Memorial Natatorium to bounded by the Ala Wai and the Waikiki War Memorial Natatorium;
- (3) Establishing a Makaha Bay Hawaii surfing reserve from Kapuhi Point to Makaha Beach;
- (4) Deleting the designation of Honolulu Bay on the island of Maui as a Hawaii surfing reserve;
- (5) Clarifying that the Department of Land and Natural Resources may, rather than shall, recognize and assist in recognition of Hawaii surfing reserves;
- (6) Clarifying that the recognition is for surfing in all its forms; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2646, 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. 2646, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Hee, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives McKelvey, Manahan, Ito, M. Oshiro, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (M. Oshiro, Ward).

**Conf. Com. Rep. 70-10 on S.B. No. 633**

The purpose of this measure is to:

- (1) Increase the representation of homestead farmers on the Molokai Irrigation System Water Users Advisory Board;
- (2) Make the Department of Hawaiian Home Lands representative an ex-officio voting member; and
- (3) Set forth qualifications of Board members and quorum requirements.

Your Committee finds that under section 168-4, Hawaii Revised Statutes, the Molokai homesteaders have a two-thirds water preference for the Molokai Irrigation System. In the State Auditor's Report, No. 08-03, Financial and Management Audit of the Molokai Irrigation System, it was recognized that the preference accorded to homesteaders is not reflected in any planning and that non-homestead farmers consume approximately eighty per cent of the system's available water. Your Committee believes that additional representation of homestead farmers on the Molokai Irrigation System Water Users Advisory Board is needed to better represent the homestead farmers and to ensure that homestead farmers receive their statutorily guaranteed water preference.

Your Committee has amended this measure by:

- (1) Including a definition for "kupuna homestead farmer user";
- (2) Changing the effective date to July 1, 2010; and
- (3) Making technical, nonsubstantive 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. 633, 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. 633, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Bunda, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Ito, Tsuji, Carroll, Har, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Carroll).

**Conf. Com. Rep. 71-10 (Majority) on S.B. No. 1059**

The purpose of this measure is to address the problem of illegal fireworks by:

- (1) Establishing an Illegal Fireworks Task Force to develop a plan to stop the importation of illegal fireworks and a strategy to ensure the safety and security of facilities and institutions in Hawaii, and to report to the 2011 Legislature accordingly;
- (2) Clarifying that nothing in chapter 132D, Hawaii Revised Statutes, shall be construed as superseding or affecting a county fireworks ordinance; and
- (3) Providing that county ordinances regulating fireworks may be stricter than state laws regulating fireworks.

This measure organizes various agencies to work collaboratively on solutions to better enforce the growing distribution and use of illegal fireworks in our communities. Each year, the use of illegal fireworks, namely aerials by unlicensed, nonprofessional persons, continues to increase. These illegal fireworks pose a fire and life safety risk and danger to the public. Enhanced enforcement strategies among state, county, and federal agencies are essential to address the problem.

Your Committee on Conference believes that counties should have sufficient latitude to enact their own ordinances that are at least as stringent as state law, including banning fireworks entirely. This measure clarifies existing law to that effect.

Your Committee on Conference has amended this measure by:

- (1) Designating the Chair of the Senate Committee on Public Safety and Military Affairs and the Chair of the House Committee on Public Safety to be Co-Chairs of the Illegal Fireworks Task Force; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1059, 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. 1059, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs and the Speaker of the House of Representatives on behalf of the Committee.

Senators Espero, Taniguchi, Kidani, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

Representatives Hanohano, Souki, Karamatsu, M. Lee, Manahan, B. Oshiro, Pine.  
Managers on the part of the House.  
Ayes, 4; Ayes with Reservations (B. Oshiro, Pine). Noes, 2 (Karamatsu, Manahan). Excused, 1 (Souki).

**Conf. Com. Rep. 72-10 on S.B. No. 1105**

The purpose of this measure is to:

- (1) Require reports of studies and audits requested by the Legislature that are conducted by an executive department or agency, including the Hawaii Health Systems Corporation, the Auditor, the Judiciary, the Legislative Reference Bureau, or the Office of Hawaiian Affairs, to be submitted to the Clerk of each House, to the President of the Senate, the Speaker of the House of Representatives, the Chair of the applicable subject matter committee of each chamber of the Legislature, and the Legislative Reference Bureau Library; and
- (2) Require that the respective Chairs of the committees to whom these reports are submitted to conduct a public hearing or informational briefing on the report.

Your Committee on Conference finds that the intent of this measure is to encourage greater dissemination of the results of studies, audits, and reports that have been requested by and submitted to the Legislature by requiring the Chair of the applicable subject matter committee to follow up on these reports by conducting public hearings or informational briefings.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of July 1, 2010; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1105, 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. 1105, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Tokioka, Keith-Agaran, Evans, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 73-10 on S.B. No. 2154**

The purpose of this measure is to:

- (1) For disclosure of information from a defendant's treatment service provider, add the requirement of the defendant's prior written consent and the condition that disclosures relating to substance abuse records are subject to applicable federal regulations regarding confidentiality; and
- (2) Authorize the release of probation drug test results to the defendant's treating physician with the prior written consent of the defendant if the test results indicate substance use that may be compromising the defendant's medical care or treatment.

Your Committee on Conference finds that the intent of this measure is to balance probation record disclosure objectives with privacy concerns. Regarding release of information related to a defendant's past treatment and assessments, your Committee on Conference notes that federal confidentiality provisions in Title 42 Code of Federal Regulations Part 2, relating to the confidentiality of alcohol and drug abuse patient records, require a client's written consent prior to the release of such information, and subsequent releases also require a client's written consent. For probation drug test results, this measure will provide statutory authority for the release of probation drug test result information in a defendant's probation records under limited circumstances.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2010.

As affirmed by the record of votes of the managers 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. 2154, 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. 2154, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Nishihara, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Tsuji, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 74-10 on S.B. No. 2472**

The purpose of this measure is to establish the Mortgage Foreclosure Task Force (Task Force) to analyze factors affecting mortgage foreclosures in Hawaii, develop policies and procedures to improve the way mortgage foreclosures are conducted, analyze the effectiveness of current foreclosure procedures, and evaluate the feasibility of establishing a state entity to address mortgagor concerns and provide consumer education.

Your Committee finds that Hawaii, like the rest of nation, is facing an alarming number of mortgage foreclosures. Although many measures were proposed during the 2010 legislative session, the suddenness of the mortgage foreclosure situation in Hawaii makes it difficult to determine which approach will have the greatest success of improving the foreclosure crisis. Your Committee finds that the Task Force established by this measure will undertake the comprehensive evaluation of Hawaii's mortgage foreclosure laws that is necessary before the enactment of meaningful legislation.

Your Committee has amended this measure by:

- (1) Specifying that the Task Force member representing a mortgage counseling organization shall preferably have expertise in consumer credit counseling;
- (2) Expanding the task force to additionally include representatives from the Mortgage Bankers Association of Hawaii, the Hawaii Credit Union League, the Hawaii State Bar Association Bankruptcy Law Section or the Bankruptcy Court of the United States District of Hawaii, and the Hawaii State Judiciary;
- (3) Providing that the chair of the Task Force shall seek to maintain a balanced representation of interests on the task force;
- (4) Requiring the Task Force to submit a report of its findings, recommendations, and proposed legislation before the 2012 Regular Session as well as before the 2011 Regular Session;
- (5) Requiring the Legislative Reference Bureau to assist the Task Force in preparing its findings, recommendations, and proposed legislation and setting deadlines for the Task Force to submit its drafting requests to the Bureau;
- (6) Ending the Task Force on June 30, 2012; and
- (7) 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. 2472, 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. 2472, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Slom.  
Managers on the part of the Senate.



Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Herkes, Karamatsu, Wakai, Marumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 75-10 on S.B. No. 2643**

The purpose of this measure is to:

- (1) Make the general excise tax exemption for condominium common expenses paid by managers, submanagers, and suboperators, and for hotel employee expenses paid by hotel operators and timeshare projects permanent;
- (2) Make the \$400,000 limit on the general excise tax exemption established under Act 196, Session Laws of Hawaii 2009 permanent; and
- (3) Make the general excise tax exemption retroactive to July 1, 2006.

Your Committee finds that Act 239, Session Laws of Hawaii 2007, established a general excise tax exemption for condominium submanagers, suboperators, and timeshare associations. This tax exemption was set to expire on December 31, 2009. In 2009, the Legislature extended the tax exemption in Act 196, Session Laws of Hawaii 2009, through December 31, 2010. Act 196 also included an aggregate cap of \$400,000 for the tax exemption.

Your Committee further finds that, in enacting this general excise tax exemption, the Legislature intended to level the playing field with regard to similarly situated entities for the payment of monies to a hotel operator for employee wages, salaries, payroll taxes, insurance premiums, and benefits, including retirement, vacation, sick pay, and health benefits. Therefore, the exemption for condominium submanagers, suboperators, and timeshare associations should be made permanent.

Your Committee notes that in passing Act 196, Session Laws of Hawaii 2009, the Legislature intended to impose a \$400,000 cap on the tax liability amount, not the gross receipts amount. Accordingly, your Committee further finds that Act 196, Session Laws of Hawaii 2009, should be clarified to reflect that the aggregate cap of \$400,000 should apply to the aggregate tax liability, not gross receipts.

Your Committee on Conference has amended this measure by:

- (1) Deleting its contents and reverting back to the contents of the S.D. 1 version of S.B. No. 2643, which includes the general excise tax exemption and same limitation amount, but keeps the general excise tax exemption temporary by retaining it in the Session Laws of Hawaii;
- (2) Extending the repeal date of section 4 of Act 239, Session Laws of Hawaii 2007, as amended by section 5 of Act 196, Session Laws of Hawaii 2009, to December 31, 2014; and
- (3) Changing the effective date to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2643, 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. 2643, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Nishihara, Kim, Hemmings.

Managers on the part of the Senate.

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

Representatives Manahan, Wakai, Tokioka, Choy, Finnegan.

Managers on the part of the House.

Ayes, 4; Ayes with Reservations (Finnegan). Noes, none. Excused, 1 (Choy).

**Conf. Com. Rep. 76-10 on S.B. No. 2231**

The purpose of this measure is to prohibit the prevention of the installation of an electric vehicle charging station on or near the parking stall of any multi-family residence or townhouse.

Your Committee finds that this measure will help meet the Hawaii Clean Energy Initiative goal of seventy per cent clean, renewable energy by 2030. Hawaii offers ideal conditions for electric vehicles: most residents drive short daily distances, the State has well-defined boundaries within which to build the required infrastructure, and the mild climate lends to greater battery performance and longevity. Electric vehicles are cleaner, quieter, and more efficient than gasoline powered vehicles, and, because they depend upon the electrical power grid, can be powered using renewable energy sources such as wind, geothermal, wave, and solar. The expanded use of electric vehicles will greatly reduce Hawaii's dependence on fossil fuels. This measure will help homeowners establish the necessary infrastructure for electric vehicles and remove potential barriers to their increased use.

Your Committee has amended this measure by:

- (1) Clarifying that homeowner, community, or condominium association or other private entity may require reimbursement for the cost of electricity used by the electric vehicle charging system;
- (2) Changing the effective date to July 1, 2010; and
- (3) Making technical, nonsubstantive 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. 2231, 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. 2231, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, English, Kim, Green, Hemmings.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, none.

Representatives Morita, Coffman, Ching.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 77-10 on S.B. No. 2859**

The purpose of this measure is to amend the provisions of the Motor Vehicle Industry Licensing Act (Act) to further describe and add to the rights and liabilities that exist in the relationship between automobile dealers and automobile manufacturers.

Your Committee notes that the measure as received is similar in function to, but different in structure from, S.B. No. 2859, S.D. 2, an earlier version of which was previously heard and approved by your Committee. The measure as received amends the existing laws in the Act, including section 437-28, Hawaii Revised Statutes, while S.B. No. 2859, S.D. 2 takes existing provisions from the Act, primarily from section 437-28(a)(21), Hawaii Revised Statutes, amends these provisions, and places them into a new section within the Act. S.B. No. 2859, S.D. 2 also creates a new section within the Act to address the dispute resolution process regarding the interpretation and enforcement of provisions of the Act.

Based on input from the Motor Vehicle Industries Board (Board) and the Regulated Industries and Complaints Office (RICO), your Committee believes that a compromise between these two approaches is the best course of action. As described further below, your Committee has amended the measure as received to specifically leave intact the current franchise law and licensing procedures as requested by both the Board and RICO. New provisions affecting the relationships between dealers, manufacturers, and distributors are now contained in the newly designated Part II.

Your Committee on Conference further finds that much of the amended measure, as further described below, is a compromise between the positions of the interested parties and is a reflection of this time of economic upheaval. Your Committee is mindful that the resources of the State are limited and has minimized changes to the licensing law unless the new language in this measure necessitated amendments.

The amended measure has an effective date of January 1, 2011, to allow all parties, the Board, and the Department of Commerce and Consumer Protection to comply with these new provisions.

As described above, your Committee on Conference has amended this measure by deleting its contents and inserting the contents of S.B. No. 2859, S.D. 2, with the following amendments:

- (1) Revising post-decision procedures and adding a right of review to the Board for dispute resolution proceedings under the new provision in Section 1 of the measure;
- (2) Dividing the proposed new provision in Section 1 of the measure, designated as "reciprocal rights and obligations among dealers, manufactures and distributors of motor vehicles" into additional sections for purposes of clarity and convenience, and consolidating provisions where appropriate;
- (3) Moving provisions that had been shifted from section 437-28(a)(21), Hawaii Revised Statutes, back into that paragraph, while retaining many of the amendments made in the language of those provisions or reverting to either existing statutory law or reflecting the language in S.B. No. 2859, S.D. 2, H.D. 1;
- (4) Creating an exception to the prohibition on a manufacturer or distributor to require a dealer in the State to agree to apply the law of another jurisdiction to a dispute or to assent to relieve any person from liability or obligation, subject to certain conditions;
- (5) Creating an exemption to the prohibition on a manufacturer or distributor to require a dealer to enter into an agreement to prospectively assent to a release, assignment, novation, waiver or estoppels that would relieve any person from any liability or obligation of the Act for voluntary settlement agreements based on adequate and valuable consideration;
- (6) Reverting to the existing language in section 437-28(a)(21)(D) regarding prima facie evidence of a manufacturer or distributor's delaying delivery of or refusing to deliver new motor vehicles within a reasonable time after receipt of a written order;
- (7) Modifying the provision prohibiting the refusal or failure to offer an incentive program, bonus payment, holdback margin, or any other mechanism that effectively lowers the net cost of a vehicle to reflect the language in S.B. No. 2859, S.D. 2, H.D. 1;
- (8) Modifying provisions regarding compensation of dealers for labor, parts, and other expenses;
- (9) Modifying the provision prohibiting the requirement that a dealer refrain from participation in the management of, investment in, or the acquisition of any other line of new motor vehicle or related products to reflect the language in S.B. No. 2859, S.D. 2, H.D. 1;
- (10) Creating an exemption to the prohibition on a manufacturer or distributor to require a dealer to construct, renovate, or make substantial alterations to the dealer's facilities for necessary, reasonable facility improvements and technological upgrades;

- (11) Modifying the provision prohibiting the implementation or establishment of a system of motor vehicle allocation or distribution to reflect the language in S.B. No. 2859, S.D. 2, H.D. 1, and adding provisos regarding specified force majeure events and facility improvements;
- (12) Modifying the time within which a manufacturer or distributor must give written notice to a dealer of the manufacturer's intent to terminate, discontinue, cancel, or fail to renew a franchise agreement from seventy-five days before the intended action becomes effective to sixty days before the effective date of the action, to reflect language in S.B. No. 2859, S.D. 2, H.D. 1;
- (13) Reducing the notice requirement in instances where the manufacturer or distributor establishes or relocates a franchise within the relevant market area of an existing dealer, as well as revising other notice requirements;
- (14) Revising the provisions regarding the calculation and payment by the manufacturer or distributor of a markup on labor, repair, and parts;
- (15) Modifying the provisions regarding the sale, assignment, or transfer of the franchise to a qualified purchaser;
- (16) Amending the provisions regarding compensation to the dealer when a manufacturer or distributor ends a franchise;
- (17) Amending section 437-1.1, Hawaii Revised Statutes, to define relevant market area as being with a radius of six miles from the dealership location in counties with a population of more than five hundred thousand persons to reflect language in S.B. No. 2859, S.D. 2, H.D. 1;
- (18) Expanding the definition of "franchise" or "franchise agreement" to include a contract or agreement between a dealer and a manufacturer or distributor that establishes rights or obligations relating to the dealer's new motor vehicle operation, including agreements relating to dealership facilities or site control; and
- (19) Making technical, nonsubstantive changes for purposes of restructuring the measure, consistency, 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. 2859, 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. 2859, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 78-10 on S.B. No. 2697**

The purpose of this measure is to update the Insurance Code in order to bring Hawaii's law into conformity with the best practices in insurance regulation.

Your Committee on Conference finds that this measure promotes national uniformity in insurance laws, streamlines the operations and improves the administrative efficiency of the Insurance Commissioner, and thereby reduces the cost of insurance regulation. Additionally, your Committee finds that this measure will assist the Insurance Commissioner in maintaining accreditation with the National Association of Insurance Commissioners by ensuring that Hawaii's laws are in line with best practices in the industry.

Your Committee has amended this measure by:

- (1) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure; and
- (2) Changing the effective date to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2697, 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. 2697, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 79-10 on S.B. No. 506**

The purpose of this measure is to provide that, in any contract pursuant to section 264-33, Hawaii Revised Statutes, which relates to the State's or county's obligation to pay for work required to relocate utility facilities due to work on a state highway or a state or county federal-aid highway that involves not only state or county funds, but also supplemental funds from the utility, the utility's portion of the required funds is also subject to certification in section 103D-309, Hawaii Revised Statutes, as to the sufficiency of funds, and certification is to be based on amounts to be paid by a utility under a legal agreement with the State or county.

Your Committee on Conference finds that, in the past, disagreements between the State and utilities on the interpretation of section 103D-309, Hawaii Revised Statutes, have resulted in the State requiring utilities to provide funds upfront. The proposed changes to section 103D-309, Hawaii Revised Statutes, will allow utilities to make progress payments instead of providing the funds up front, a transaction format that they would prefer, provided that a memorandum of agreement is reached with the state or county agency. This will allow the utilities to also hold onto their funds until the actual utility work is physically started, which can sometimes be one to two years after the original funds were required for certification. This arrangement would be a much fairer relationship between the utilities and the State or counties.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2010.

As affirmed by the record of votes of the managers 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. 506, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 506, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Herkes, Choy, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 80-10 on S.B. No. 2105**

The purpose of this measure is to change the agency responsible for issuing removable windshield placards, temporary removable windshield placards, special license plates, and identification cards from the counties to the Disability and Communication Access Board, and to increase the number of years a placard is effective.

Your Committee on Conference finds that this measure conforms state law to the requirements of the federal Uniform System for Handicapped Parking, by making a state agency, the Disability and Communication Access Board, responsible for the parking program for persons with disabilities. Your Committee further finds that this measure will simplify and improve the administration of the parking program for persons with disabilities.

Your Committee has amended this measure by:

- (1) Removing a provision allowing an applicant who was previously issued a removable windshield placard to receive a second removable windshield placard upon request; and
- (2) Changing the effective date of this measure 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. 2105, 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. 2105, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, English, Tsutsui, Espero, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Souki, Yamane, Awana, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 81-10 on S.B. No. 2454**

The purpose of this measure is to allow courts to charge fees, as established by court rules, to certify copies of pleadings, orders, transcripts, and other documents, while exempting state agencies from the payment of these fees.

Your Committee on Conference finds that this measure will allow the Supreme Court to establish fees for the certification of certain documents. While your Committee on Conference believes that, in general, state agencies should be exempt from the payment of the fees, permitting the Supreme Court to establish rules limiting the exemption is a reasonable method of allowing the Judiciary to properly manage the work flow of Judiciary staff who perform the certifications.

Your Committee on Conference has amended this measure by:

- (1) Allowing limitations on the extent of the exemption for state agencies as may be established by court rules; and
- (2) Deleting language regarding the original filing or issuance of court documents to be certified, for purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2454, 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. 2454, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Tsutsui, Takamine.

Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Keith-Agaran, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 82-10 on S.B. No. 2831**

The purpose of this measure is to make permanent the requirements for withholding payment to a subcontractor effectuated by Act 175, Session Laws of Hawaii 2009.

Your Committee on Conference finds that the amendment made by Act 175 to section 103-2.1, Hawaii Revised Statutes, eliminates confusion concerning the procedure and amount of retainage that may be withheld from a subcontractor on a public works project and clarifies the conditions under which a procurement officer can withhold part or all of a subcontractor's payment request. As such, your Committee on Conference believes that the amendment should be made permanent.

Your Committee on Conference has amended this measure by making a technical, nonsubstantive change for purposes of accuracy in the statutory language.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2831, 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. 2831, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Choy, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 83-10 on S.B. No. 2919**

The purpose of this measure is to require the Department of Public Safety to provide support for security at the Hawaii State Hospital and require the Department of Health, in collaboration with the Department of Public Safety, to report to the Legislature the plan for the provision of short- and long-term security for the Hawaii State Hospital.

Your Committee finds that the patients at the Hawaii State Hospital are considered to be in need of confinement, including forensic patients committed to institutionalization by the courts. The recent escape on December 3, 2009 of a forensic patient who was committed to the Hospital in 2002 after allegedly committing kidnapping and sexual assault on a child illustrates the present security deficit at the Hospital.

Your Committee further finds that the Hawaii State Hospital has suffered budget cuts and reductions in security positions, leaving the hospital vulnerable to escapes and security risks. Averaging six escapes a year and with numerous assaults upon staff, the high occupancy at the hospital, coupled with the budget cuts and security reductions, have compromised and jeopardized the safety of the workers and patients at the facility, as well as the community and surrounding neighborhood. This measure will help to address these security concerns at the Hawaii State Hospital and hopefully prevent future escapes and assaults on staff members.

Your Committee has amended this measure by:

- (1) Requiring the Department of Public Safety to provide security at the Hawaii State Hospital;
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive changes for the purposes of style, 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. 2919, 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. 2919, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Espero, Tsutsui, Tokuda, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Yamane, Hanohano, Nishimoto, Ito, Finnegan.  
Managers on the part of the House.  
Ayes, 5; Ayes with Reservations (Finnegan). Noes, none. Excused, none.

**Conf. Com. Rep. 84-10 on S.B. No. 2937**

The purpose of this measure is to exempt disclosure of government records in response to duplicate requests from a single requester if the agency to which the request is made satisfies specific requirements.

Your Committee on Conference finds that, currently, the Uniform Information Practices Act, codified at chapter 92F, Hawaii Revised Statutes, contains no provision allowing an agency to not respond to a record request, even when there is a legitimate

justification for not responding. The intent of this measure is to address those extreme situations when there are repeated requests for records or information already provided to a requester.

Your Committee on Conference has amended this measure by deleting its contents and inserting language having a similar effect, which:

- (1) Creates an exemption in section 92F-11, Hawaii Revised Statutes, to the general requirement that agencies make government records available to requesters that allows government agencies to decline to make these records available for subsequent, duplicative requests; and
- (2) Inserts a repeal date for the measure of July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2937, 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. 2937, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Nishihara, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

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

**Conf. Com. Rep. 85-10 on S.B. No. 2565**

The purpose of this measure is to:

- (1) Extend the timeframe in which the Hawai'i Civil Rights Commission (Commission) is required to complete the rulemaking process to conform state law protections against disability discrimination to the federal Americans with Disabilities Act Amendments Act of 2008 (Act), from December 31, 2010, to twelve months after the United States Equal Employment Opportunities Commission publishes final rules interpreting the Act; and
- (2) Authorize the Commission to make a determination regarding whether a witness' identity or statement may be kept confidential and establish the process by which and the factors that the Commission must consider when the Commission makes this determination.

Your Committee on Conference finds that the provisions in this measure will enhance the Commission's ability to perform its mission. First, by extending the target date by which the Commission is required to complete the rulemaking described above, the Commission will have the necessary time to adequately analyze the federal guidelines to assure compliance with federal law. Second, by clarifying the provisions regarding the confidentiality of a witness' identity or statement, the Commission will be better able to fully investigate and prosecute discrimination complaints.

Your Committee on Conference has amended this measure by making technical, nonsubstantive changes for purposes of consistency, 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. 2565, 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. 2565, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Karamatsu, Luke, Yamashita, Pine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 86-10 on S.B. No. 2745**

The purpose of this measure is to update the Uniform Controlled Substances Act, and to:

- (1) Restore the emergency scheduling of the Schedule I controlled substance Salvia divinorum, Salvinorin A, and Divinorin A as hallucinogenic substances;
- (2) Add Tapentadol, Fospropofol, and Lacosamide to schedules II, IV, and V, respectively;
- (3) Modify the show cause process and include therein the denial of an application for registration; and
- (4) Authorize the imposition of administrative fines where a person subject to the requirements of the Controlled Substance Electronic Accountability Prescription System intentionally or knowingly fails to transmit required information, and adding thereto a request from the designated state agency for data correction.

To ensure consistency in the regulation and enforcement of controlled substances, the Federal Controlled Substances Act serves as the basis for classification of all controlled substances on a national level. Section 329-11(a), Hawaii Revised Statutes, requires the



Department of Public Safety to make appropriate revisions to update chapter 329, Hawaii Revised Statutes, relating to the Uniform Controlled Substances Act, to conform to changes in federal law.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2745, 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. 2745, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Taniguchi, Hemmings.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Yamane, Karamatsu, Belatti, Marumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 87-10 on S.B. No. 1230**

The purpose of this measure is to clarify the definition of large and little cigars for purposes of application of the general excise tax. In addition, this measure limits the general excise tax on the wholesale price of each cigar sold, used, or possessed by a wholesaler or dealer to large cigars.

Currently, Hawaii law taxes cigars based on the cigar's ring gauge. This has resulted in the unintended consequence of enabling the misclassification of large and little cigars, resulting in the loss of tax revenue to the State. Your Committee on Conference finds that by defining "little cigar" and "large cigar" by weight rather than by ring gauge, this measure appropriately defines these products in line with how the other states and the federal government define these products for tax purposes. In this way, among others, this measure provides needed clarity to ensure that the tax on these products is applied as intended, thus enabling the State to realize the revenues to which it is statutorily entitled.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the managers 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. 1230, 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. 1230, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Kim, Kokubun, Tsutsui.

Managers on the part of the Senate.

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

Representatives M. Oshiro, Chong, Choy, M. Lee, Marumoto.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 88-10 on S.B. No. 2897**

The purpose of this measure is to enact the recommendations of the Ignition Interlock Implementation Task Force to, among other things, establish requirements for the mandatory use of ignition interlock devices for persons convicted of driving under the influence of an intoxicant.

Pursuant to House Concurrent Resolution No. 28, H.D. 1 (2007), the Department of Transportation convened a Hawaii Ignition Interlock Implementation Task Force comprised of government agencies and community stakeholders to study the feasibility of requiring the installation of ignition interlock devices on vehicles of offenders convicted of driving under the influence offenders, including exploring and recommending procedures for the introduction of ignition interlock technology to Hawaii. Act 171, Session Laws of Hawaii 2008 and Act 88, Session Laws of Hawaii 2009 enacted recommendations of the Hawaii Ignition Interlock Implementation Task Force which has continued its work through to the present. This measure represents the final installment of legislation to fully implement the program.

While gains have been made in reducing both driving under the influence arrests and the total number of alcohol-related fatalities, today's offender is more likely to have a highly elevated alcohol concentration and, as a whole, Hawaii's rate of alcohol-related fatalities remains unacceptably high. At the same time, people whose licenses have been revoked still need to get to work, to transport their families, and to fulfill other obligations, and sit in some cases, there is no efficient alternative to driving. Just as there is no single cause of this problem, there is no single solution, and Hawaii needs another tool to address it.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of "ignition interlock device" to mean a breath alcohol ignition interlock device; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers 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. 2897, 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. 2897, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Karamatsu, Awana, Har, B. Oshiro, Pine.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 89-10 on S.B. No. 2346**

The purpose of this measure is to authorize the Hawaii Teacher Standards Board to delegate to its Executive Director, or other designee, any of its powers and duties as it deems reasonable and proper; provided that certain discretionary functions are not delegated.

Your Committee on Conference finds that in 2009, the Auditor submitted to the Legislature the findings of an audit on the appropriate accountability structure of the Hawaii Teacher Standards Board, examining specifically whether the Board effectively executed its core function of licensing and re-licensing. The Auditor's report (Report No. 09-05) found several problems with the Board, including ineffective management of its licensing functions, lack of oversight, and miscommunication between the Board and the Department of Education. This measure attempts to address some of the concerns expressed in the Auditor's report.

Upon receipt of the Auditor's report, the Legislature requested the Legislative Reference Bureau, University of Hawaii at Manoa College of Education, and Hawaii Teacher Standards Board to respond to the Auditor's report, and these agencies submitted reports for review by the Legislature.

Your Committee on Conference finds that the recommendations made by the state agencies are useful in clarifying the respective roles, responsibilities, and relationship between the Hawaii Teacher Standards Board and the Department of Education; improving teacher licensing and re-licensing processes and fees; and improving the overall operations and impact of the Hawaii Teacher Standards Board. Accordingly, your Committee on Conference has amended this measure by incorporating the recommendations, as follows:

- (1) By requiring the Hawaii Teacher Standards Board to include expenditure information in its annual report;
- (2) By adding additional licensure renewal requirements and verification of meeting licensure renewal requirements;
- (3) By requiring the Board to review the implementation of revised license fee collections and determine if fees shall be raised;
- (4) By requiring the Board to develop a comprehensive plan for transferring nonessential functions and duties to other agencies;
- (5) By requiring the Board to review its teacher license renewal process;
- (6) By requiring the Board and the Department of Education to clarify their respective powers, duties, responsibilities, and the relationship between the two agencies; and
- (7) 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. 2346, 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. 2346, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kidani, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Takumi, Rhoads, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 90-10 on S.B. No. 466**

The purpose of this measure is to:

- (1) Prohibit the use of leaf blowers on or near residential zones, except within allowed time periods; and
- (2) Prohibit leaf blowing operations from blowing debris onto adjacent property without permission.

Many residents in high density areas complain about the noise, smell, and dust created by leaf blowers. The noise of leaf blowers interfere with neighbors' ability to watch television, sleep, and talk on the phone. Additionally, some leaf blower users are inconsiderate and blow dust and debris into public rights-of-way and into neighbors' open windows. Your Committee finds that numerous studies have shown that home gardeners can clean the same amount of space with more speed and accuracy using a rake and broom than using any kind of leaf blower. This measure strikes a balance between the need to use leaf blowers in a considerate way and the neighbors whose daily lives are affected by the use of those leaf blowers.

Your Committee has amended this measure by:

- (1) Changing the time period for leaf blowing operations within a residential zone or within 100 feet of a residential zone from between the hours of 7:00 a.m. and 7:00 p.m. to 8:00 a.m. and 6:00 p.m.;

- (2) Including state holidays as days when leaf blowing operations are restricted to between the hours of 9:00 a.m. and 6:00 p.m., and defining "state holiday";
- (3) Exempting government entities from the prohibition of the use of leaf blowers on or near residential zones;
- (4) Clarifying that counties may adopt rules or ordinances that place stricter limitations on the use of leaf blowers;
- (5) Adding definitions for "leaf blower" and "parcel" to the prohibition on blowing debris onto adjacent property;
- (6) Changing the effective date to July 1, 2010; and
- (7) Making technical, nonsubstantive changes for the 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. 466, 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. 466, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Taniguchi, Hemmings.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Morita, Karamatsu, Nishimoto, Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 91-10 on S.B. No. 532**

The purpose of this measure is to limit the civil liability of property owners for damages to persons injured on premises while committing certain criminal offenses.

Your Committee on Conference finds that the intent of this measure is to protect an owner of real property from an individual who intends to or commits a crime from gaining from his or her criminal activity if the individual is wounded during the commission of the crime. Your Committee on Conference notes that there have been only a few instances in the history of this State where a homeowner was forced to defend his or her dwelling through the use of a firearm.

Your Committee on Conference notes that an earlier version of the measure, S.B. No. 532, S.D. 1, contained similar language, but limited civil liability for not only injuries to a perpetrator, but also the death of the perpetrator. After discussion, your Committee on Conference has chosen to revert to this earlier version, with amendments, as described below.

Your Committee on Conference has amended this measure by deleting its contents and replacing it with the contents of S.B. No. 532, S.D. 1, with amendments. As amended, this measure:

- (1) Limits civil liability for an owner of any estate or any other interest in real property to any perpetrator engaged in enumerated felonies for any injury or death to the perpetrator that occurs on that property during or after the commission of the felony, or when a reasonable person would believe that commission of an enumerated felony was imminent;
- (2) Requires that, if the perpetrator is injured, the perpetrator must be charged with the criminal offense and be convicted of the criminal offense or of a lesser included felony or misdemeanor;
- (3) Enumerates the felonies applicable to the limitation of liability;
- (4) Defines the time period for which the limitation of liability is applicable as arising the moment the perpetrator commences the enumerated felony or the moment the owner believes that a commission of an enumerated felony is imminent;
- (5) Provides that the limitation of liability is only applicable when the perpetrator's conduct in furtherance of the enumerated felony causes the injury or death;
- (6) Provides that the limitation of liability does not limit liability of the owner that would otherwise exist for certain wrongful conduct of the owner or the injury or death caused to individuals other than the perpetrator;
- (7) Provides that the owner is not required to warn the perpetrator that the owner is armed and ready to cause injury or death in order to benefit from the limitation of liability;
- (8) Indicates that the limitation of liability is in addition to other available defenses for the owner; and
- (9) Makes the measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 532, 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. 532, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Ito, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 92-10 on S.B. No. 2045**

The purpose of this measure is to establish class A and B felony sexual human trafficking offenses and provisions related to prosecution of the offenses.

Your Committee on Conference finds that human trafficking, particularly sexual human trafficking of minors, is a grave and repellent activity that should be harshly punished. While existing statutes may touch on some of the conduct inherent in the act of trafficking, your Committee on Conference understands that lack of a specifically defined crime of trafficking makes identification of victims and evaluation of the extent of the problem difficult.

However, your Committee on Conference notes that the measure as received is sufficiently complex so as to deter the prosecution of these newly created offenses, thereby defeating the goal of the measure. Your Committee on Conference believes that, by paring down and simplifying the trafficking provisions, the goals of the measure will be better served.

Your Committee on Conference has amended this measure by deleting its contents and replacing it with language that does the following:

- (1) Creates a part within chapter 707, Hawaii Revised Statutes, that:
  - (A) Creates a new sexual human trafficking in the first degree offense that is a class A felony, which prohibits a person from knowingly advancing or profiting from prostitution or sexually-explicit activity involving the prostitution or sexually-explicit activity of one or more prostituted person under the age of eighteen, if the person maintains, manages, supervises, or controls and transports any prostituted person; and
  - (B) Creates a new sexual human trafficking in the second degree offense that is a class B felony, which prohibits a person from knowingly advancing or profiting from prostitution or sexually-explicit activity involving the prostitution or sexually-explicit activity of one or more prostituted persons eighteen years old or older, if the person maintains, manages, supervises, or controls and transports any prostituted person; and
- (2) Includes the sexual human trafficking offenses in the official proceedings or investigations that are to be given greatest priority for purposes of witness protection programs.

As affirmed by the record of votes of the managers 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. 2045, 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. 2045, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Karamatsu, Belatti, B. Oshiro, Luke, Tsuji, Pine.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 93-10 on S.B. No. 2371**

The purpose of this measure is to exempt limited benefit health insurance policies enacted in chapter 431, article 10A, Hawaii Revised Statutes, from any Insurance Code provision that generally applies to accident, health or sickness insurance policies, with certain exceptions, and unless the provision expressly states that the provision is applicable to the limited benefit health insurance policy.

Your Committee finds that limited benefit health insurance policies are policies that cover a specific disease or condition or that provide reimbursement for specific expenses that are generally not covered by a primary health insurance policy. Your Committee finds that because the nature of a limited benefit health insurance policy is fundamentally different from that of a primary health insurance policy, laws that are generally applicable to primary health insurance policies may be inappropriate for limited benefit policies.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2371, 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. 2371, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Herkes, Nishimoto, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Marumoto).

**Conf. Com. Rep. 94-10 on S.B. No. 2811**

The purpose of this bill is to improve the regulation of prescription drugs by requiring all pharmacies and remote dispensing pharmacies to have the capacity to maintain prescription records electronically and to accept and transmit prescription information electronically or by facsimile. The bill also allows pharmacists to administer immunizations to children between the ages of nine and eighteen under certain circumstances.

Your Committee finds that increasing minor's access to vaccinations during health care crises, maintaining and transferring prescriptions and prescription records electronically, and including pharmacies in the Hawaii Health Information Exchange will all improve patient safety.

However, your Committee is aware of concerns that electronic storage and transferring of prescriptions and prescription records may impose a significant burden on small pharmacies and physicians' practices. In addition, your Committee further finds that lowering the age of pharmacy-administered vaccinations bears further study because it is only one possible method of preparing the State to appropriately address a public health crisis. To address these concerns, your Committee believes that establishing a task force to examine the feasibility, costs, and benefits of both vaccinations for minors and electronic prescriptions is prudent.

Your Committee has amended this measure by:

- (1) Replacing its contents with language requiring the Chair of the Board of Pharmacy to establish a task force to:
  - (A) Determine the feasibility of lowering the age at which vaccinations may be administered by pharmacies;
  - (B) Determine the feasibility of requiring every pharmacy and remote dispensing pharmacy to have the capacity to transmit and maintain prescriptions and prescription information electronically; and
  - (C) Develop a plan to include pharmacies in the Hawaii Health Information Exchange;
- (2) Including in the task force representatives from the Board of Pharmacy, the Hawaii Pharmacists Association, chain store pharmacies, independent pharmacies, the American Academy of Pediatrics, and the Hawaii Health Information Exchange;
- (3) Changing its effective date to upon approval; and
- (4) Repealing the measure on July 1, 2011.

As affirmed by the record of votes of the managers 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. 2811, 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. 2811, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Espero, Hemmings.

Managers on the part of the Senate.

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

Representatives Yamane, Herkes, Nishimoto, Wakai, Marumoto.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Marumoto).

**Conf. Com. Rep. 95-10 (Majority) on S.B. No. 2610**

The purpose of this measure is to require the Director of Taxation to provide the Administrator of each county's real property assessment division with an image of all certificates of conveyances filed with the Bureau of Conveyances.

The current method, whereby the county makes weekly pickups of the printed certificates from the Department of Taxation, is not efficient and would be greatly improved with electronic data transfers of the conveyance certificates filed with the Bureau of Conveyances. The Department of Taxation, which has already implemented a process to scan these documents, would no longer need to provide printed copies of these certificates to the counties. Additionally, the neighbor islands would be able to retrieve the documents directly rather than relying on the City and County of Honolulu's assessment offices. Your Committee finds that receiving these documents in digital format would enable the counties to promptly track recorded ownership, encumbrances, restrictions, uses, and sales prices of real property for the purpose of determining real property tax assessments.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon approval; and
- (2) Making technical, nonsubstantive changes 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. 2610, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2610, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, English, Kim.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Ito, Har, Thielen.  
Managers on the part of the House.  
Ayes, 2. Noes, 1 (Thielen). Excused, none.

**Conf. Com. Rep. 96-10 on S.B. No. 2806**

The purpose of this bill is to ensure that the Emergency and Budget Reserve Fund (EBRF) has adequate reserves during times of emergency, economic downturn, or unforeseen reduction in revenues by:

- (1) Authorizing the transfer of five percent of the general fund balance at the close of the fiscal year when general fund revenues for each of two successive fiscal years exceed revenue for each of the preceding fiscal years by five percent;
- (2) Requiring that the end-of-fiscal-year general fund balance be calculated before any tax refund or tax credit is authorized;
- (3) Prohibiting the transfer of funds to the EBRF whenever the its balance is equal to or greater than ten percent of general fund revenues for the preceding fiscal year;
- (4) Requiring that general fund revenues deposited into the EBRF be kept in separate accounts from other moneys in the EBRF;
- (5) Requiring that all interest earned from moneys in the EBRF be credited to the EBRF; and
- (6) Clarifying that economic downturns must be severe before EBRF funds may be expended.

Your Committee on Conference finds that the EBRF is being steadily depleted while there are no new sources of revenue to replenish it. This measure would help to ensure that a fiscal reserve is available to support the State's financial obligations during periods of severe economic difficulty and would provide an alternative to raising taxes at times when the people of the State can least afford it.

Your Committee further finds that, in the interest of fiscal accountability, moneys deposited into the EBRF should be kept in separate accounts to prevent moneys transferred from the general fund from becoming co-mingled with other moneys in the fund. It is your Committee's intent that the statutory requirement of a two-thirds majority vote of each House of the Legislature, imposed by section 328L-3(d), Hawaii Revised Statutes, be followed when appropriating funds from either of these separate accounts in the Emergency and Budget Reserve Fund.

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

As affirmed by the record of votes of the managers 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. 2806, 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. 2806, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Rhoads, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 97-10 on S.B. No. 930**

The purpose of this measure is to provide immunity from liability and coverage of medical expenses for licensed medical personnel providing volunteer services on behalf of the State or a county in non-emergency situations, such as school-based immunization clinics.

Your Committee finds that this measure will encourage valuable medical personnel to participate as volunteers on behalf of the State or a county. Your Committee further finds that this measure is consistent with Good Samaritan practices in other jurisdictions.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 930, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 930, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Karamatsu, Nishimoto, Belatti, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Belatti).

**Conf. Com. Rep. 98-10 on S.B. No. 2729**

The purpose of this measure is to establish a Hawaii immunization registry to maintain a single statewide repository of immunization records.



Your Committee finds that the purpose of establishing a single statewide repository of immunization records is to aid, coordinate, and help promote efficient and cost-effective screening, prevention, and control of vaccine preventable diseases, including pandemic influenza. Your Committee further finds that for patients who change health care providers, the Hawaii immunization registry will be accessible by their new provider to ensure that patients receive the immunizations they need while preventing the administration of unnecessary doses of vaccine.

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

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

Signed by the Chairs on behalf of the Committee.

Senators Ige, Tsutsui, Baker, Hemmings.

Managers on the part of the Senate.

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

Representatives Yamane, Nishimoto, Finnegan.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 99-10 on S.B. No. 2473**

The purpose of this bill is to assist grandparents raising their grandchildren by:

- (1) Allowing grandchildren of elderly housing project residents to temporarily reside with the elderly resident during certain family crisis situations; and
- (2) Granting elderly residents evicted from elderly housing because they allowed grandchildren to live with them during a family crisis, first priority back into elderly housing after the crisis situation has been abated.

Your Committee on Conference finds that there is a large population of grandparents raising their grandchildren in Hawaii and they are faced with unique problems. Many of these grandparents living in elderly housing are faced with difficult decision when their own children are in a crisis situation and their grandchildren are left without parents and without alternatives. Your Committee finds that it is important for these children to have as much support as possible during these very difficult times, and that allowing them to live with their grandparents not only saves the State money, but also allows for a more stable and comfortable living environment for the children. Your Committee further finds that elders who have been evicted from elderly housing as a result of a family crisis should be given first priority to move back into elderly housing in their own geographical area should the crisis abate and that federal family housing could be used as an alternative to state family housing.

Your Committee has amended the measure by:

- (1) Amending the measure's effective date to July 1, 2010;
- (2) Clarifying that this measure does not diminish the original intent to retain elderly housing projects; and
- (3) Making technical, nonsubstantive stylistic 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. 2473, 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. 2473, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Sakamoto, Galuteria, Hemmings.

Managers on the part of the Senate.

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

Representatives Cabanilla, Sagum, Chong, Ching.

Managers on the part of the House.

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

**Conf. Com. Rep. 100-10 on S.B. No. 2220**

The purpose of this measure is to improve enforcement of contracting laws by establishing a Construction Site Inspection Task Force (Task Force) consisting of representatives from the Department of Commerce and Consumer Affairs and each county permitting department to strengthen enforcement of contracting laws, including authorizing the Task Force to investigate and inspect construction sites for unlicensed contractors.

Your Committee on Conference finds that unlicensed or unlawful construction activity undermines the State's regulatory system and puts contractors who do follow the law at a disadvantage since unlicensed operators cut corners by ignoring licensing, workplace safety, labor, and tax laws. Your Committee on Conference also finds that establishing a Task Force to investigate the scope and prevalence of construction violations in the State will enhance the ability of all affected departments to enforce existing laws.

Your Committee on Conference has amended this measure by replacing its contents with the Senate Draft 1 version of the measure and changing the effective date of the measure to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2220, 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. 2220, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Sakamoto, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Keith-Agaran, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 101-10 on S.B. No. 2399**

The purpose of this measure is to protect the health and safety of amateur contestants in mixed martial arts (MMA) contests. Specifically, this bill:

- (1) Requires the Department of Commerce and Consumer Affairs (DCCA) to regulate amateur MMA;
- (2) Allows DCCA to delegate the control and supervision of amateur MMA contests to a recognized national amateur MMA association;
- (3) Defines “amateur mixed martial arts contestant” and “professional mixed martial arts contestant”;
- (4) Clarifies that amateur MMA contests shall not offer monetary compensation;
- (5) Clarifies that amateur MMA contestants must be at least 18 years of age;
- (6) Changes the event fees charged to a licensed promoter;
- (7) Requires individuals to be at least 18 years of age to apply for a license as a professional MMA contestant;
- (8) Exempts amateur MMA contestants from the licensing requirements;
- (9) Requires amateur MMA contestants to pass a physical examination conducted by a licensed physician prior to engaging in an MMA contest; and
- (10) Repeals additional surcharge fees charged to promoters during their license renewal period for deposit into the Compliance Resolution Fund.

Your Committee finds that regulation of mixed martial arts contests was originally enacted in response to a pattern of severe injuries in unregulated contests. Your Committee further finds that this measure is intended to increase the existing protections and to explicitly extend them to amateur MMA contests and contestants.

Your Committee has amended this measure by:

- (1) Redefining “amateur mixed martial arts contestant” to mean a person who is trained in mixed martial arts, competes in an amateur mixed martial arts contest, and is at least eighteen years of age;
- (2) Redefining “professional mixed martial arts contestant” to mean a person who is trained in mixed martial arts and competes in a mixed martial arts contest in which money, a prize, or purse, or other form of monetary compensation is offered or given to contestants;
- (3) Requiring each mixed martial arts contestant to be examined by a physician within six hours of a contest;
- (4) Reinstating the minimum one year of experience requirement for MMA contest referees;
- (5) Excepting sections 440E-5(b)(5) and 440E-7(a)(2) and (4), Hawaii Revised Statutes, from applying to amateur mixed martial arts contests;
- (6) Changing the effective date to July 1, 2010; and
- (7) Making technical, nonsubstantive amendments 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. 2399, 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. 2399, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Keith-Agaran, Chang, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 102-10 on S.B. No. 2601**

The purpose of this measure is to require the Auditor to conduct a sunrise analysis of the licensure of athletic trainers.

Your Committee finds that Hawaii is one of only four states that does not currently regulate the practice of athletic training. Your Committee further finds that the continued absence of regulation creates a climate where athletic trainers who have lost or been denied licensure in other states can move to Hawaii to practice here, thereby putting the public at risk and degrading the profession as a whole. Your Committee finds that it is especially important that the practice of athletic training maintain the highest possible standards for consumer safety since athletic trainers often work with children in elementary and secondary school settings.

Your Committee has amended this measure by:

- (1) Revising language to reflect that the regulatory scheme contemplated by the Legislature for athletic trainers is for licensure rather than registration;
- (2) Deleting the language in the purpose section indicating that regulating the athletic trainer profession would require demonstration of minimum competency by athletic trainers;
- (3) Expanding the provisions describing the process and reporting requirements of the sunrise review to be conducted by the Auditor; and
- (4) 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. 2601, 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. 2601, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Manahan, Wakai, Tokioka, Chang, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**Conf. Com. Rep. 103-10 on S.B. No. 2842**

The purpose of this bill is to establish the Permitted Transfers in Trust Act to govern transfers of currency, bonds, and securities from a transferor to a trustee by means of an irrevocable trust instrument.

Your Committee finds that Hawaii relies heavily on the travel industry as an economic engine and that it is in the interest of the economic stability of the State to diversify sources of revenue, including state tax revenues. Your Committee further finds that estate and financial planning has proven to be a source of capital for other jurisdictions.

Your Committee believes that authorizing such transactions will provide the State with a source of revenue to help stabilize the current budget crisis and to fuel future economic growth by offering incentives to individuals with high net worth throughout the world to transfer a portion of their liquid net worth into Hawaii for asset and trust management.

Your Committee has amended this measure by:

- (1) Inserting definitions of "grantor trust" and "non-grantor trust" and amending the definition of "permitted trustee";
- (2) Clarifying that "permitted trustee" means people, banks, or trust companies that have their principal place of business in this State;
- (3) Expanding the exemptions from limitations on actions by creditors to avoid permitted transfers from applying to the State of Hawaii to the extent necessary to extinguish a transferor's tax liabilities;
- (4) Setting a one per cent excise tax on the fair market value of all permitted transfers and placing administration of this tax in the Department of Taxation;
- (5) Clarifying that any beneficial interest in the non-grantor trust held by a beneficiary residing outside of this State shall be excluded from Hawaii income tax and that the trustee of the non-grantor trust shall not be required to track the accumulated income or gains attributable to a nonresident beneficiary;
- (6) Providing that in circumstances where the percentage of beneficiaries' interests are indeterminable based on the provisions of the trust, the trustee shall allocate income and gains equally among all entitled beneficiaries;
- (7) Changing the effective date of this measure to July 1, 2010; and
- (8) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2842, 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. 2842, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Tsutsui, Espero, Ige, Hemmings.

Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Ige).

Representatives Herkes, Choy, Aquino, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Aquino).

**Conf. Com. Rep. 104-10 on S.B. No. 2116**

The purpose of this measure is to facilitate the process by which the Department of Education obtains approval for the State to indemnify, defend, and hold harmless a county agency and its officers, agents, and employees for public school purposes and functions on or in county facilities.

Your Committee on Conference finds that the intent of this measure is to streamline the process for public schools to get permission to use county parks and other facilities for school purposes. In addition to use of space and facilities for special school events, there are a number of schools which regularly use adjacent county parks for their playgrounds and other physical education facilities. A process that can ease the continued use of county property would be helpful to the schools.

Your Committee on Conference notes two concerns with the measure as received. First, the measure as received gives the Superintendent of Education or the Deputy Superintendent the authority to indemnify, defend, and hold harmless a county agency. Your Committee on Conference believes that the Governor should instead have the ability to delegate this authority. Second, the measure provides that, once the Governor approves the indemnity provision to be used by the Superintendent of Education or the Deputy Superintendent, the provision *shall* serve as approval for all public school purposes or functions on county properties for the remainder of the same school year. Your Committee on Conference believes that a more flexible approach is to provide that the indemnity provision, once agreed to by the Governor, *may* serve as the approval for all public school purposes or functions on county properties for the remainder of the same school year.

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

- (1) Authorizing the Governor to delegate the authority to indemnify, defend, and hold harmless a county agency to the Superintendent of Education or the Deputy Superintendent of Education, rather than statutorily authorizing this ability;
- (2) Indicating that once agreed to by the Governor, the indemnity provision to be used by the Superintendent of Education or the Deputy Superintendent of Education may serve as the approval for the remainder of the school year; and
- (3) Providing that the measure shall 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. 2116, 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. 2116, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, English, Taniguchi, Kidani, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Karamatsu, Takumi, Tokioka, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Thielen).

**Conf. Com. Rep. 105-10 on S.B. No. 1062**

The purpose of this measure is to:

- (1) Require professional employer organizations to register with the Insurance Commissioner, and to specify requirements for registration; and
- (2) Require a professional employer organization to post a bond in an unspecified amount.

Your Committee on Conference finds that this measure will clarify the requirements for professional employer organizations for both these organizations and the businesses they service.

Your Committee on Conference has amended this measure by:

- (1) Moving the regulation of professional employer organizations from the Insurance Commissioner under the Department of Commerce and Consumer Affairs to the Department of Labor and Industrial Relations, and changing all internal references to reflect this change;
- (2) Setting the bond required to be posted by professional employer organizations at \$250,000; and
- (3) Changing the effective date from July 1, 2020, to upon approval; provided that the registration requirements shall take effect on July 1, 2011.

As affirmed by the record of votes of the managers 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. 1062, 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. 1062, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, McKelvey, Herkes, Yamashita, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Pine).

**Conf. Com. Rep. 106-10 on S.B. No. 2883**

The purpose of this measure is to promote fair employment practices by making it an unlawful practice for an employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee because the employee legitimately uses accrued and available sick leave.

This measure specifically applies to employers or labor organizations that have over 100 employees and have a collective bargaining agreement with their employees. This measure does not apply to cases where an employee is abusing sick leave benefits or is unable to fulfill his or her essential job functions or requirements.

Your Committee on Conference finds that employees who legitimately use accrued and available sick leave benefits should not be reprimanded by certain large employers or labor organizations that have a collective bargaining agreement in place with their employees, unless the employee is abusing their sick leave benefits. Your Committee on Conference also finds that certain large employers or labor organizations should not be prohibited from discharging or demoting an employee if the employee is unable to fulfill the essential job functions or requirements of their position.

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

As affirmed by the record of votes of the managers 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. 2883, 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. 2883, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Taniguchi, Nishihara.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Nishihara).

Representatives Rhoads, Karamatsu, M. Oshiro, Yamashita, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (M. Oshiro, Yamashita).

**Conf. Com. Rep. 107-10 on S.B. No. 910**

The purpose of this measure is to transfer the functions and duties of the Homeless Programs Branch of the Hawaii Public Housing Authority (HPHA) to the Benefit, Employment, and Support Services Division of the Department of Human Services (DHS).

Your Committee on Conference finds that the Benefit, Employment and Support Services Division is the appropriate place to embed homeless programs because it already provides services to the homeless such as tools to attain self-sufficiency, such as employment training, child care, and general assistance. By transferring the homeless division to this Division, all services will be centralized and the coordination of homeless services will be streamlined.

Your Committee has amended the measure by:

- (1) Clarifying that the Department of Human Services (DHS) will transfer four employees from the Hawaii Public Housing Authority to the Benefit, Employment and Support Services Division, both within DHS;
- (2) Clarifying that any transferred position that was exempt from chapter 76, Hawaii Revised Statutes, under section 356D-2, Hawaii Revised Statutes, may remain exempt;
- (3) Changing the measure's effective date to July 1, 2010; and
- (4) Making technical, nonsubstantive stylistic changes for purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 910, 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. 910, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Sakamoto, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

Representatives Cabanilla, Karamatsu, Sagum, Chong, Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 108-10 on S.B. No. 2165**

The purpose of this measure is to raise standards for the guard industry by specifying educational, criminal history, and training requirements for all guards and employees of guard companies who act in a guard capacity.

Your Committee on Conference finds that the education and training requirements in the existing law pertaining to guards are inadequate to protect the public and to provide for high-quality guard services. Your Committee notes that under the existing law, it is possible for an individual to act as an armed security guard with an eighth grade education and no formal training at all. Your Committee finds that the proliferation of the use of guards and private security forces has resulted in an environment where individuals empowered by and answerable only to their employers are permitted to act to secure life and property in potentially dangerous and threatening situations, without adequate training or oversight that improved regulation would afford. Your Committee finds that this measure will subject guards to meaningful oversight and regulation that is in the best interest of the guard industry as well as the public's safety.

Your Committee on Conference has amended this measure by reverting to the S.D. 1 version of S.B. 2165 and making the following changes:

- (1) Adding the requirement that an individual registering as a guard not be suffering from any psychiatric or psychological disorder which would detrimentally effect their performance as a guard;
- (2) Amending the requirements applicable to guard instructors, including requiring that instructors be approved by the Board of Private Detectives and Guards;
- (3) Redefining "guard" and specifying that "guard" shall not include any active duty federal, state, or county law enforcement officers or personnel;
- (4) Authorizing the Board of Private Detectives and Guards to issue principal guard licenses and establishing the requirements therefor;
- (5) Establishing requirements applicable to a firm applying for a guard agency license, including bond and principal guard requirements;
- (6) Allowing a guard agency to employ agents, operatives, and assistants in a guard capacity and specifying the management and other responsibilities of the principal guard in relation to the agency and its employees;
- (7) Establishing the qualification requirements applicable to employees of a guard agency who act in a guard capacity;
- (8) Establishing criminal history records check requirements for all new employees employed in a guard capacity;
- (9) Establishing the form of application for licensure and registration, including the information that must be provided by the applicant to enable the Board of Private Detectives and Guards to assess and, if necessary, investigate the background, character, competency, and integrity of the applicant;
- (10) Making the measure effective upon approval; provided that the section 1 of the measure shall take effect on July 1, 2013;
- (11) Repealing the Act on July 1, 2016; and
- (12) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2165, 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. 2165, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Keith-Agaran, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 109-10 on S.B. No. 2563**

The purpose of this measure is to support the use of alternative energy resources in Hawaii.

Specifically, this measure:

- (1) Requires the Director of Business, Economic Development, and Tourism to impose and collect fees for the administration of the solar water heater system for new residences program and deposit those fees into the energy security special fund; and
- (2) Sets the goal of using alternative fuels to meet thirty per cent of highway fuel demand by 2030.

Your Committee finds that this measure will assist the Department of Business, Economic Development, and Tourism with administering the program requiring solar water heater systems for new single-family residences. Permitting the Department to impose and collect fees for the variance application process will support the program and significantly enhance the effectiveness of the statewide strategy to promote renewable energy, particularly with respect to residential solar water heater systems, which are a major component in that strategy.

Your Committee further finds that currently the goal of achieving alternate fuels standards requires the State to facilitate the development of alternate fuels and support attainment of a statewide alternate fuel standard of ten per cent of highway fuel by 2010, fifteen per cent by 2015, and twenty per cent by 2020. This measure, which is endorsed by the Hawaii Clean Energy Initiative, will continue and expand the State's commitment to achieving an alternate fuels standard of thirty per cent of highway fuel by 2030.



Your Committee has amended this measure by:

- (1) Clarifying that the Director of Business, Economic Development, and Tourism may impose and collect fees to cover the costs of administering the variances permitted under section 196-6.5, Hawaii Revised Statutes, relating to the requirement that new single-family residential construction use solar water heater systems; and
- (2) Changing the effective date to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2563, 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. 2563, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morita, Coffman, Choy, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 110-10 on S.B. No. 2599**

The purpose of this measure is to provide for the early detection of colorectal cancer by requiring health insurers to:

- (1) Insure colorectal cancer screening procedures graded A or B, as recommended by the United States Preventive Services Task Force; and
- (2) Provide those insured with information about the risks of undiagnosed colorectal cancer and encourage them to consult with their physician about screening options.

Your Committee on Conference finds that mandating health insurance coverage for colorectal cancer screening will lead to early detection, proper diagnosis, and treatment of colorectal cancer. Scientific evidence has shown that more than one-third of the deaths from colorectal cancer could have been avoided if regular colorectal screenings were made after the age of fifty. Your Committee on Conference also finds that health insurance providers may provide beneficiaries with notice of the mandates in this measure in any reasonable form and that it is not the intent of your Committee on Conference to require new or additional means of providing notice to beneficiaries.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2599, 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. 2599, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Tsutsui, Green, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Yamane, Herkes, M. Oshiro, M. Lee, Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 111-10 on S.B. No. 2702**

The purpose of this measure is to allow federal reimbursements for disaster relief to be held in a trust account for future disaster relief.

Current law in section 37-41, Hawaii Revised Statutes, requires that unexpended appropriations be returned to the general fund. The State Department of Defense pays disaster relief expenses out of operating funds to be later reimbursed from federal funds which would lapse into the general fund. This measure allows federal reimbursements to be held in a trust account to ensure that these funds do not lapse at the end of the fiscal year. This measure would preserve federal funds in a trust account so that the funds will be available for expenditure on future disaster relief efforts.

Your Committee on Conference has amended this measure by deleting the appropriation and 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. 2702, 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. 2702, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hanohano, Aquino, Awana, Shimabukuro, Pine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 112-10 on S.B. No. 2716**

The purpose of this measure is to create within the jurisdiction of the family court a new Child Protective Act to make paramount the safety and health of children who have been harmed or are in life circumstances that threaten harm. This measure also ensures that the Child Protective Act is in conformity with Federal Title IV-E provisions.

Your Committees on Conference have amended the measure by:

- (1) Clarifying the definition of "adjudication" to include a finding by a court by preponderance of the evidence that the child has been subject to threatened harm by the acts or omissions of the child's family;
- (2) Defining "birth parent" and "biological parent" and clarifying that that the term "birth" is interchangeable with the term "natural", as that term is used in chapter 578, Hawaii Revised Statutes;
- (3) Replacing all references to "natural parent", "natural mother", and "natural father", with "birth parent", "birth mother", and "birth father", respectively;
- (4) Defining "foster parent", "foster family", and "resource family" and clarifying that these terms may be used interchangeably;
- (5) Redefining "party" to specify that the child's current parents or resource family are discretionary parties, along with other persons whose participation is in the best interest of the child;
- (6) Amending the safe family home factors to additionally consider whether any alleged perpetrator has acknowledged and accepted responsibility for the harm to the child;
- (7) Requiring attorneys for incapacitated adults to take instructions from the incapacitated adult's guardian ad litem, unless otherwise ordered by the court;
- (8) Notwithstanding the 15-day deadline for filing reports, allowing the Department of Human Services and other authorized agencies to file additional information for certain hearings upon showing that the information could not be obtained before the deadline;
- (9) Clarifying that court may order the court and the parties to view a video of the child's interview;
- (10) For service plan notification purposes, providing that the parents' failure to provide a safe family home within two years from the date when the child was first placed under foster custody by the court, may, rather than shall, result in the parents' parental rights being terminated;
- (11) For return hearing purposes, if aggravated circumstances are present, setting a 60-day deadline within which the court shall file a motion to set the case for a termination of parental rights hearing;
- (12) For permanency hearing purposes, requiring the Department of Human Services to file a motion to set the matter for termination of parental rights if the child has been in foster care for a total of twelve consecutive months;
- (13) Deleting the ability of a parent whose parental rights have been terminated to file a motion to reinstate the terminated parental rights;
- (14) Changing the effective date of the measure to September 1, 2010 to allow the Judiciary to prepare forms and update family court procedures to comply with the new Child Protective Act; and
- (15) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference finds that it is vitally important to the children of Hawaii to have adequate protection under the law. There are many children that are abused each year, and as a society we are responsible for making sure that they are safe from harm. Your Committee notes that this was a multi-faceted effort, with numerous entities coming together to assist in ensuring that children are protected through the family courts in Hawaii. Your Committee has amended this measure accordingly so that the concerns of the groups involved in the family court process regarding these children have been addressed.

As affirmed by the record of votes of the managers 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. 2716, 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. 2716, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Mizuno, Karamatsu, M. Oshiro, Brower, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 113-10 on S.B. No. 2825**

The purpose of this bill is to clarify that for short-term investments of state funds, the five-year maturity limitation for authorized investments with stated maturity dates also applies to the underlying securities of those investments.

Upon further consideration, your Committee has amended this measure by changing its 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. 2825, 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. 2825, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives M. Oshiro, Choy, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 114-10 on S.B. No. 2828**

The purpose of this measure is to clarify the law for determining school impact fees for financing new public educational facilities or expanding existing public educational facilities.

Your Committee on Conference finds that an increasing amount of residential development generates an increased demand for public school facilities. This measure clarifies existing school impact fee laws to improve the accuracy and appropriateness of information used to determine school impact fees and create a more equitable assessment of school impact fees.

Your Committee on Conference has amended this measure by:

- (1) Changing the time at which the Department of Education is required to prepare various components of an impact fee analysis from upon the designation of a school impact district to prior to the designation of a school impact district;
- (2) Changing the effective date from July 1, 2020, to July 1, 2010; and
- (3) Making a technical, nonsubstantive change 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. 2828, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2828, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tsutsui, Galuteria, Kidani, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Takumi, Ito, M. Oshiro, Har, Nakashima, Pine.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 115-10 on S.B. No. 2324**

The purpose of this measure is to:

- (1) Help ease the financial strain on partially unemployed individuals by authorizing an individual who is attached to a regular employer who is not offering work to receive unemployment insurance benefits under certain specified conditions;
- (2) Require the Department of Labor and Industrial Relations (DLIR), with assistance from the Department of Business, Economic Development, and Tourism (DBEDT), to conduct a study on the cost and feasibility of changing the contribution rate schedules for unemployment contributions from annual to semi-annual;
- (3) Require the DLIR, with assistance from the DBEDT, to review the Auditor's study conducted in 1982 regarding the financing mechanisms of the unemployment compensation fund;
- (4) Provide unspecified amounts of funds from the special unemployment insurance administration fund for the DLIR, with the assistance of the DBEDT, to conduct the study and review; and
- (5) Require the DLIR, working with the DBEDT, to submit reports of its findings and recommendations to the Legislature.

Your Committee on Conference finds that an individual who is attached to a regular employer but is separated from that employer because of a lack of work or reduced hours may receive unemployment insurance benefits. In addition, the individual claimant may voluntarily seek part-time or full-time work to supplement or replace their receipt of unemployment insurance benefits. However, should this individual be separated from their secondary employer, the possibility exists that the individual would be disqualified from receiving any unemployment insurance benefits.

Your Committee on Conference believes that the unemployment insurance laws should not penalize an individual for voluntarily seeking employment to supplement their unemployment insurance benefits. Accordingly, your Committee on Conference further finds that if the employee should terminate from a part-time employer, the employee should not be disqualified from receiving their unemployment insurance benefits.

Your Committee on Conference has amended this measure by:

- (1) Deleting its contents and inserting the contents found in the H.D. 1 version of S.B. No. 2324; which essentially removes any requirement for the DLIR, with the assistance of the DBEDT, to conduct any studies, reviews, and reports; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2324, 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. 2324, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Kim, Taniguchi.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, M. Oshiro, Nakashima, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 5; Ayes with Reservations (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 116-10 on S.B. No. 2691**

The purpose of this measure is to streamline the processing of Employees' Retirement System (ERS) pension payments by:

- (1) Requiring all retirees and beneficiaries in the state retirement system or county pension plans to be paid on a monthly, rather than semi-monthly, basis effective March 1, 2011;
- (2) Requiring all retirees and beneficiaries in the state retirement system to designate a financial-institution account into which the ERS is authorized to deposit their state retirement benefits effective March 1, 2011; and
- (3) Directing ERS to adjust the dates on which the semi-monthly payments in January 2011 and February 2011 are made to facilitate the semi-monthly to monthly transition.

Your Committee on Conference finds that requiring direct deposit for payment of benefits for retirees and beneficiaries will streamline the processing of payments and will provide cost savings to the State in the form of reduced postage, check printing and imaging costs, and bank fees. The Employees' Retirement System estimates that requiring direct deposit would save approximately \$32,000 each year. Your Committee on Conference also finds that an even greater costs savings can be achieved through the implementation of retirees and beneficiaries receiving their pension payment on a monthly basis, rather than semi-monthly. The costs savings resulting from these changes could then be used toward increasing ERS' investment earnings.

Your Committee on Conference further finds that, under the short time constraints imposed by this measure, certain retirees or beneficiaries may find it to be an economic hardship or particularly difficult to comply with the requirements in this measure. Thus, your Committee on Conference has exempted certain retirees and beneficiaries from the pension payment changes in this measure and has also lengthened the transition and implementation period from two months to six months for all retirees and beneficiaries of the state retirement system.

Your Committee on Conference has amended this measure by:

- (1) Delaying the implementation date that certain retirees and beneficiaries will begin to receive their pension payment on a monthly basis by changing the start date from March 1, 2011, to July 1, 2011;
- (2) Adding an exception to the requirement to be paid monthly for any retiree or beneficiary who:
  - (A) Became a retiree or beneficiary prior to January 1, 2003;
  - (B) Is eighty years of age or older on January 1, 2011; and
  - (C) Receives \$800 or less of pension benefits each month;
- (3) Delaying the cut-off date that all retirees and beneficiaries are required to designate a financial institution account to authorize payment by direct deposit from March 1, 2011, to April 1, 2011; and
- (4) Extending the transition period for the payment of pension benefits from semimonthly to monthly from two months to six months and for that transition period to take place from January 2011 through June 2011, rather than from January 2011 through February 2011.

As affirmed by the record of votes of the managers 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. 2691, 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. 2691, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, M. Lee, Yamashita, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Yamashita).

**Conf. Com. Rep. 117-10 on S.B. No. 2054**

The purpose of this measure is to establish within the state Civil Defense Agency the position of Statewide Communications Interoperability Coordinator.

This measure also authorizes an increase in the federal funds ceiling and appropriates federal funds received from the Homeland Security Grant Program to fund this new position.

This measure addresses the importance and complexity of multi-jurisdictional collaboration and partnerships among the many public safety agencies. The goal of this measure is to achieve effective voice and data communications during routine and emergency civil defense situations.

Your Committee on Conference has amended this measure by:

- (1) Authorizing a federal fund ceiling increase of \$110,000 and making an appropriation in that same amount; and
- (2) Changing the effective date to upon approval, and making the appropriation take effect on July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2054, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2054, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hanohano, Aquino, Awana, Herkes, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Herkes).

**Conf. Com. Rep. 118-10 on S.B. No. 2386**

The purpose of this measure is to establish the University of Hawaii capital improvements program project assessment special fund for the purpose of defraying certain administrative costs related to the implementation of its capital improvement projects (CIP).

Your Committee on Conference finds that currently, operating general funds are used to defray certain costs of CIP projects and to provide centralized management, oversight, and administration in the implementation of CIP projects. Your Committee on Conference agrees that the costs related to these projects should instead be assessed and amortized against each individual project. Your Committee on Conference notes that the Department of Accounting and General Services has a similar project assessment fund for the same purposes.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2010.

As affirmed by the record of votes of the managers 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. 2386, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2386, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Chang, M. Oshiro, Aquino, Yamashita, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Pine).

**Conf. Com. Rep. 119-10 on S.B. No. 2400**

The purpose of this measure is to make emergency appropriations to support the functions of the Office of Elections and the Elections Commission.

More specifically, this measure appropriates out of the general revenues of the State:

- (1) The sum of \$250,000 to support the functions of the Office of Elections and the Elections Commission in the 2010 regular elections; and
- (2) The sum of \$140,000 to allow the Office of Elections to reimburse the City and County of Honolulu for providing technical support services for the 2010 special election.

Your Committee on Conference finds that the appropriations made in this measure are necessary to address budget shortfalls to fund operations critical to conducting the May 22, 2010 special election to fill the vacancy in the First Congressional District and the 2010 primary and general elections.

Your Committee has amended this measure by clarifying that the appropriation to support the functions of the Office of Elections and the Elections Commission in the 2010 regular elections is for fiscal year 2009-2010.

As affirmed by the record of votes of the managers 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. 2400, 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. 2400, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Karamatsu, M. Oshiro, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 120-10 on S.B. No. 2603**

The purpose of this measure is to bring the mortgage loan originator licensing laws into full compliance with the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Mortgage Licensing Act of 2008).

Your Committee finds that this measure complies with the requirements of the federal S.A.F.E. Mortgage Licensing Act of 2008. Your Committee further finds that the purpose of the S.A.F.E. Mortgage Licensing Act of 2008 is to “increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud” by encouraging the states to regulate the mortgage industry.

Your Committee finds that this measure is necessary to ensure that the State retains its power to regulate the intrastate mortgage lending industry. The State risks ceding that power to the federal government if the State’s mortgage loan originator licensing laws fail to comply with the federal standards set out in the federal S.A.F.E. Mortgage Licensing Act of 2008. This measure contains the necessary statutory provisions to comply with the requirements of the federal law.

Your Committee has amended this measure by:

- (1) Clarifying the use of appropriated funding to cover the hiring of personnel to establish and maintain the licensing regime created by this measure;
- (2) Setting the Mortgage Loan Recovery Fund fee amount applicable to branch offices of mortgage loan originator companies;
- (3) Setting the amounts of the initial application fee, annual license renewal fee, reinstatement fee, late fee, and criminal background check fee applicable to mortgage loan originators and the principal and branch offices of mortgage loan originator companies;
- (4) Setting the fee applicable to information amendments requiring review by the Commissioner of Financial Institutions;
- (5) Clarifying that all application fees are nonrefundable;
- (6) Clarifying compliance for mortgage brokers or mortgage solicitors holding a license that is valid under chapter 454, Hawaii Revised Statutes, as of December 31, 2010;
- (7) Clarifying that obtaining a licensing determination under this chapter will automatically terminate a license issued under chapter 454, Hawaii Revised Statutes;
- (8) Inserting a severability clause pertaining to the mortgage broker or mortgage solicitor requirements of licensure provision;
- (9) Including an appropriation to establish and maintain the licensing regime created by chapter 454F, Hawaii Revised Statutes, including the hiring of and continued funding for the positions authorized by section 11 of Act 32, Special Session Laws of Hawaii 2009;
- (10) Making the measure effective on July 1, 2010; provided that sections 6, 7, 25, and 29 shall take effect on January 1, 2011; and provided further that sections 30 and 31 shall take effect upon approval; and
- (11) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2603, 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. 2603, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Karamatsu, Keith-Agaran, C. Lee, Tokioka, Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Tokioka).

**Conf. Com. Rep. 121-10 on S.B. No. 2661**

The purpose of this measure is to appropriate funds to satisfy all claims against the State, its officers, and its employees accrued during the past year for legislative relief for claims for the overpayment of taxes, or for refunds, reimbursements, payments of judgments or settlements, or other liabilities.



Your Committee on Conference notes that the Attorney General submitted information regarding nine additional claims that have been resolved and which should be added to the measure as received. The additional claims total \$1,762,000.00, bringing the total appropriation amount to \$9,113,851.64 allocated among thirty claims.

Your Committee on Conference has amended this measure by inserting the additional claims.

As affirmed by the record of votes of the managers 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. 2661, 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. 2661, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Karamatsu, M. Oshiro, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 122-10 on S.B. No. 2809**

The purpose of this measure is to appropriate unspecified amounts out of the public utilities commission special fund for fiscal year 2010-2011 for:

- (1) The operations of the Public Utilities Commission, including reinstatement and funding of deleted positions; and
- (2) The operations of the Department of Commerce and Consumer Affairs Division of Consumer Advocacy, including funding of positions included in the 2007 reorganization and deleted positions.

Your Committee on Conference finds that the reorganization of the Public Utilities Commission and the Division of Consumer Advocacy provided by Act 177 and Act 183, Session Laws of Hawaii 2007, is essential to regulate Hawaii's public utilities effectively; control utility costs; and successfully implement meaningful energy policy reform in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$1,704,000 for the operations of the Public Utilities Commission;
- (2) Appropriating \$634,000 for the operations of the Division of Consumer Advocacy;
- (3) Changing the effective date from July 1, 2050, to July 1, 2010; and
- (4) Making a technical amendment for the purpose of accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2809, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2809, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kim, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Keith-Agaran, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 123-10 on S.B. No. 2395**

The purpose of this measure is to assist the Hawaii employer-union health benefits trust fund to overcome difficulties in performing its duties due to an increased and more complex workload, shortage of personnel, and absence of board and administrative leadership.

Your Committee finds that the voluntary employees' beneficiary association (VEBA) trust, an alternative health-benefits system used by the employee organization for public school teachers, will sunset on July 1, 2010. The Hawaii employer-union health benefits trust fund will experience extreme difficulty assisting in the transition of public school teachers and their dependents to the Hawaii employer-union health benefits trust fund while, at the same time, continuing to perform its normal duties.

Accordingly, this measure temporarily extends the sunset of the enabling legislation for the voluntary employees' beneficiary association trust for six months to provide for a smoother transition to the Hawaii employer-union health benefits trust fund.

In addition, this measure appropriates, for fiscal year 2010-2011, the following:

- (1) \$232,542 for five temporary positions to assist in the transition of public employees and their dependents from the voluntary employees' beneficiary association trust to the Hawaii employer-union health benefits trust fund;
- (2) \$244,359 for five permanent positions to assist in the performance of Hawaii employer-union health benefits trust fund duties; and
- (3) \$223,099 to cover costs associated with the transition from the voluntary employees' beneficiary association trust to the Hawaii employer-union health benefits trust fund.

Your Committee, upon further consideration, has amended this measure to change the effective date to June 29, 2010.

As affirmed by the record of votes of the managers 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. 2395, 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. 2395, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Taniguchi, Sakamoto, Takamine, Hemmings.

Managers on the part of the Senate.

Ayes, 5; Ayes with Reservations (Sakamoto). Noes, none. Excused, none.

Representatives Rhoads, M. Oshiro, Aquino, M. Lee, Nakashima, Yamashita, Finnegan.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, 1 (Yamashita).

**Conf. Com. Rep. 124-10 on S.B. No. 2461**

The purpose of this measure is to establish a means of financing for capital improvements to car rental facilities at state airports by raising the rental motor vehicle customer facility charge to \$4.50 per day.

This measure also:

- (1) Specifies that the \$4.50 charge is not to be reduced by the Department of Transportation for at least twenty years following September 1, 2010, or as necessary to satisfy payment of any bonds issued or financial agreements entered into by the department in furtherance of the purpose of the rental motor vehicle customer facility charge special fund;
- (2) Exempts the Department of Transportation from the administrative rule making process when determining the amount of the rental motor vehicle customer facility charge;
- (3) Repeals section 9 of Act 226, Session Laws of Hawaii 2008, establishing a \$1 per day rental motor vehicle customer facility charge; and
- (4) Makes an unspecified appropriation out of the rental motor vehicle customer facility charge special fund for fiscal year 2010-2011 for certain improvements to state airports.

Act 226, Session Laws of Hawaii 2008 (Act 226), implemented a car rental facility charge of \$1 daily and appropriated up to \$10 million for planning, design, and some possible improvements to car-rental facilities at public airports throughout Hawaii. The construction of improved rental motor vehicle facilities and the improvement of services that would occur as a result of these improved facilities would enhance customer opportunities and satisfaction.

Act 226 also established the rental motor vehicle customer facility charge special fund into which was deposited the car rental facility charge of \$1. Moneys in the rental motor vehicle customer facility charge special fund are used for enhancement, renovation, operation, and maintenance of existing rental motor vehicle customer facilities and the development of new rental motor vehicle customer facilities and related services at state airports.

Act 226 provided for a \$1 rental motor vehicle customer facility charge, but simultaneously provided for the Department of Transportation to set the rate without legislative enactment. This measure clarifies that henceforth the Department of Transportation may set the rate, thus negating the necessity for a legislative enactment to change those rates.

Under this measure, the charge of \$4.50 daily and the revenues that are generated therefrom will strongly support both the program as well as the bonds to finance the related construction projects, which will total approximately \$500,000,000. It is very important that the program have strong financing and the stream of revenues to attract the buyers of the bonds during these turbulent economic times in order to avoid program delays. In spite of years of discussions, the motor vehicle rental facilities over time have deteriorated and have not kept pace with similar facilities and services provided to visitors and residents at other public airports across the United States.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation out of the rental motor vehicle customer facility charge special fund for rental car improvements statewide, the sum of \$71,800,000 for fiscal year 2010-2011, for planning, land and utility acquisition, design and program management, and construction to provide consolidated car rental facilities for the car rental agencies and other related improvements for the Department of Transportation's airport modernization program, and deleting all other references to appropriations;
- (2) Deleting the requirement that the \$4.50 charge stay in effect for at least twenty years; and
- (3) Changing the effective date to July 1, 2010; provided that the \$4.50 charge shall take effect on September 1, 2010.

As affirmed by the record of votes of the managers 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. 2461, 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. 2461, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Tsutsui, Nishihara.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Souki, M. Oshiro, Awana, Yamashita, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 125-10 on S.B. No. 2548**

The purpose of this measure is to implement the information technology recommendations of Auditor's Report No. 09-06 by:

- (1) Establishing within the Office of the Governor a Chief Information Officer and Information Technology Steering Committee to organize, manage, and oversee statewide information technology governance; and
- (2) Establishing a shared services technology special fund to be funded by an unspecified percentage of central services fees for the operations of the Chief Information Officer and the Steering Committee.

Your Committee on Conference finds that creating greater efficiencies in information technology governance is particularly critical when state resources are severely limited. This measure will allow the State to review and improve its management of information technology to meet the challenge of providing public services with reduced resources.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Governor to report to the 2011 Legislature with recommendations for:
  - (A) The most appropriate state agency to house the Chief Information Officer and any personnel;
  - (B) The appropriate funding level for the shared services technology special fund and the designated percentage of all moneys collected pursuant to section 36-27(a), Hawaii Revised Statutes, for deposit into the shared services technology special fund; and
  - (C) Any legislation necessary to implement these recommendations; and
- (2) Changing the effective date from July 1, 2112, to January 1, 2011.

As affirmed by the record of votes of the managers 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. 2548, 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. 2548, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Choy, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Yamashita).

**Conf. Com. Rep. 126-10 on S.B. No. 2534**

The purpose of this measure is to:

- (1) Require law enforcement agencies having custody of a person to accept cash, surety bonds, and own recognizance bonds when the courts are closed, to allow the prompt discharge of a person from custody or imprisonment; and
- (2) Require payment of a bond to a law enforcement agency to be accompanied by a bond filing fee of \$20, payable in cash, for each bond issued per defendant.

The payment of cash bail or bail bonds is presently accepted only by the courts during business hours from Monday to Friday excluding weekends and holidays. Many years ago, the practice was for any corrections facility or police facility holding the accused to accept and promptly release the accused at any time, on any day of the week. The practical effect of the current practice is that an accused who can afford to pay the bail or bond may be held in custody for a minor offense from Friday afternoon to the following Monday morning, or Tuesday morning in the case of a Monday holiday.

The costs per day of incarcerating a person can be minimized by avoiding unnecessary delays in the prompt release of a person who is legally entitled to be released.

Your Committee on Conference has amended this measure by:

- (1) Increasing the bond filing fee to \$60;
- (2) Specifying that \$30 of the bond filing fees collected be retained by the agency processing the bond, and \$30 shall be deposited into the state general fund;
- (3) Requiring that bonds be accepted by a law enforcement agency weekends and holidays during the hours that the court would otherwise be open on weekdays;
- (4) Clarifying the definition of "law enforcement agency" to make technical amendments and to delete reference to the Department of Public Safety;
- (5) Authorizing the Attorney General to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to effectuate the purpose of the measure; and

- (6) Changing the effective date to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2534, 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. 2534, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Karamatsu, Keith-Agaran, Aquino, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 127-10 on S.B. No. 2385**

The purpose of this measure is to make permanent:

- (1) The University of Hawaii's authority to:
  - (A) Be exempt from the Comptroller's supervision of the University of Hawaii's accounts;
  - (B) Install a different accounting system;
  - (C) Submit changes only to uniform business and accounting forms for review and approval; and
  - (D) Approve the assignment of moneys to creditors;
- (2) The Comptroller's authority to request the University of Hawaii to provide information for the preparation of income and expenditure statements; and
- (3) The University of Hawaii's requirement to report to the Comptroller on moneys held outside the state treasury by the University.

Your Committee on Conference finds that this measure grants the University of Hawaii fiscal flexibility at a particularly trying time, with significant fiscal constraints on all state agencies. However, your Committee on Conference is also cognizant of the need for fiscal accountability and therefore prefers to extend the University of Hawaii's fiscal flexibility, rather than make it permanent at this time.

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

- (1) Extending to June 30, 2016:
  - (A) The University of Hawaii's authority to be exempt from the Comptroller's supervision of the University of Hawaii's accounts, install a different accounting system, submit changes only to uniform business and accounting forms for review and approval, and approve the assignment of moneys to creditors;
  - (B) The Comptroller's authority to request the University of Hawaii to provide information for the preparation of income and expenditure statements; and
  - (C) The requirement for the University of Hawaii to report to the Comptroller on moneys held outside the state treasury by the University;
- (2) Changing the effective date from July 1, 2020, to being retroactive to April 30, 2010, upon approval of this measure; 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 is in accord with the intent and purpose of S.B. No. 2385, 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. 2385, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Chang, M. Lee, Aquino, C. Lee, Pine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 128-10 on S.B. No. 2068**

The purpose of this measure is to require the Department of Education and Early Learning Council to work together on the development and submission of a plan to the Legislature for the integration of the cohort of children who would otherwise attend junior kindergarten into the early learning system.

Your Committee on Conference finds that Act 219, Session Laws of Hawaii 2004, launched a Junior Kindergarten program beginning with the 2006-07 school year with the intent of enabling Hawaii's children to succeed in kindergarten and subsequent

schooling by addressing their varying developmental and learning needs. To date, however, only about one-third of the schools have adopted a variation of the Junior Kindergarten program. Moreover, early findings indicate that these children may be more appropriately placed in a pre-school type setting.

Notwithstanding the foregoing, the current economic situation has resulted in deep cuts in subsidies from the Department of Human Services. Families are finding it increasingly difficult to enroll their children in preschools and in some cases the quality of early learning settings has come into question because of the need to reduce staff. By eliminating the junior kindergarten option, some children will be foreclosed from attending any pre-kindergarten program at all.

Your Committee has amended this measure by:

- (1) Refocusing the measure, as reflected in the purpose clause, that more rapid progress must be made in finding cost-effective methods of providing early education;
- (2) Amending the age requirement for entrance into the public kindergarten program to allow children who will be at least five years of age on the first day of instruction to attend a public school kindergarten, beginning in the 2013-2014 school year;
- (3) Requiring that the Department of Education and Early Learning Council work together to develop a plan to assess the success of public junior kindergarten programs at individual schools, including a funding plan; and
- (4) Making technical, nonsubstantive changes for purposes of style, 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. 2068, 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. 2068, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, M. Lee, Berg, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ching).

#### **Conf. Com. Rep. 129-10 on S.B. No. 2115**

The purpose of this measure is to:

- (1) Extend the fiscal autonomy previously granted to the University of Hawaii and Department of Education;
- (2) Clarify that the Department of Education is required to preaudit proposed payments of \$10,000 or more; and
- (3) Require the University of Hawaii and Department of Education to preaudit samples of proposed payments of less than \$10,000.

Given the budgetary constraints of the current fiscal year, your Committee on Conference finds that this measure would be useful to the University of Hawaii and the Department of Education by extending the fiscal flexibility previously granted to these agencies. This measure also retains the requirement that the Department of Education must preaudit proposed payments of \$10,000 or more but requires the Department of Education to preaudit *samples* of proposed payments of less than \$10,000. This additional flexibility would allow the Department of Education to use its resources in a more cost-effective manner.

Your Committee on Conference expressed concerns relating to section 3 of the measure. Article III, section 14 of the Hawaii State Constitution requires that each law embrace but one subject, which shall be expressed in the title. Your Committee on Conference is concerned that section 3 of this measure, relating to accounting systems, may not be appropriate given the title of this measure (“relating to preaudits of proposed payments”).

Additionally, your Committee on Conference finds that changes to the drafting style of this measure would clarify the language of section 40-1, Hawaii Revised Statutes, as it would read upon repeal and reenactment or upon repeal or extension of the repeal and reenactment. Your Committee on Conference notes that although the drafting style changes significantly affect the appearance of the measure, the changes are technical and nonsubstantive.

In accordance with the findings described above, your Committee on Conference has amended this measure as follows:

- (1) By removing section 3 of the measure;
- (2) By adding language to require that any act passed by the Legislature during the 2010 Regular Session shall be amended to conform to the provisions of this measure relating to:
  - (A) The repeal date of the Department of Education’s exemption from the Comptroller’s supervision of the Department of Education’s accounts;
  - (B) The requirement that the Department of Education shall preaudit all proposed payments of \$10,000 or more; and
  - (C) The requirement that the University of Hawaii and Department of Education shall preaudit samples of proposed payments of less than \$10,000;
- (3) By changing the effective date from July 1, 2010, to upon approval; provided that the measure shall take effect retroactive to April 30, 2010; and

- (4) 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. 2115, 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. 2115, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tokuda, Kim, Galuteria, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Takumi, Chang, M. Lee, Ching.

Managers on the part of the House.

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

**Conf. Com. Rep. 130-10 on S.B. No. 2434**

The purpose of this measure is to provide the Board of Education, as the appointing authority for the Superintendent of Education and the State Librarian, with more flexibility to establish the salaries of the Superintendent and State Librarian by adjusting the salary caps on these state leadership positions.

Your Committee on Conference finds that state departments, such as the Department of Education, are run by proficient and experienced individuals who frequently come from the private sector. Your Committee on Conference believes that seeking out and retaining the most qualified individuals to manage and run the Department of Education is critical to improving the public education system and to providing a superior education for all of Hawaii's public school children. By incorporating specific salaries for certain of the Department of Education's administrators and adding annual performance bonuses that are contingent upon specified outcomes and benchmarks, exceptional individuals can be retained and excellent performance can be adequately compensated.

Your Committee on Conference has amended this measure by:

- (1) Increasing the salary of the Superintendent from \$150,000 to \$160,000, and adding an annual performance bonus of up to \$90,000, which shall be contingent upon an annual performance evaluation that is subject to certain specified performance outcomes and limited for consecutive annual performance evaluations;
- (2) Specifying that the Board of Education shall set the salary of the Deputy Superintendent at no greater than \$130,000, and including an annual performance bonus of up to \$50,000, which shall be contingent upon an annual performance evaluation that is subject to certain specified performance outcomes and limited for consecutive annual performance evaluations;
- (3) Providing that the Board of Education shall set the salary of each Assistant Superintendent at a rate no greater than \$120,000 a year, and including an annual performance bonus of up to \$20,000, which shall be contingent upon an annual performance evaluation that is subject to certain specified performance outcomes and limited for consecutive annual performance evaluations;
- (4) Specifying that the Board of Education shall set the salary of each Complex Area Superintendent at a rate no greater than \$120,000 a year, and including an annual performance bonus of up to \$40,000, which shall be contingent upon an annual performance evaluation that is subject to certain specified performance outcomes and limited for consecutive annual performance evaluations;
- (5) Retaining the existing \$120,000 salary level and adding an annual performance bonus for the State Librarian of up to \$20,000, the specific amount of which is contingent upon an annual performance evaluation based on a minimum of four outcomes to be determined by the Board of Education and limited for the second consecutive annual performance evaluations;
- (6) Revising the purpose section of the measure to reflect the changes to the measure; and
- (7) Inserting an effective date of July 1, 2010.

As affirmed by the record of votes of the managers 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. 2434, 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. 2434, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tsutsui, Kidani.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Kidani).

Representatives Takumi, Rhoads, M. Lee.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 131-10 on S.B. No. 2885**

The purpose of this measure is to establish a health savings account task force within the Department of Labor and Industrial Relations for administrative purposes to study the current state of health savings account options in Hawaii's health insurance market, establish a plan of action to expand the use of health savings accounts, identify and recruit potential health plans, develop a way to implement flexible spending accounts for employee benefit programs that allow unspent funds in the account to carry over to the next year, and assess the potential economic impact of expanding health savings accounts in the State.



Your Committee finds that health savings accounts are an available alternate means of paying for health care that may generate significant health care cost savings for certain Hawaii residents. Your Committee also finds that health savings accounts options in Hawaii's health insurance market should be carefully examined to ensure compliance with Hawaii prepaid health care law.

Your Committee has amended this measure by:

- (1) Including a representative from the Hawaii Credit Union League on the health savings account task force; and
- (2) Changing the effective date of this measure 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. 2885, 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. 2885, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Takamine, Tsutsui, Green, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Yamane, Rhoads, Nishimoto, C. Lee, M. Lee, Finnegan.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 132-10 on S.B. No. 2491**

The purpose of this measure is to clarify that telemedicine is included within the practice of medicine, and to require insurers offering medical malpractice insurance coverage to also cover telemedicine services.

Your Committee on Conference finds that telemedicine services have the potential to radically expand access to physicians and medical services for the people of Hawaii. This new technology has particular relevance for the neighbor islands, which are plagued by a chronic physician shortage.

Additionally, your Committee finds that a study of the impact of coverage of telehealth services on medical malpractice policies will help the Legislature form comprehensive legislation on telemedicine malpractice coverage.

Your Committee on Conference has amended this measure by replacing its contents and:

- (1) Requiring the Insurance Commissioner to study and report to the Legislature before the Regular Session of 2011 the impact of coverage of telehealth services under medical malpractice policies and its impact on malpractice premium rates both in Hawaii and across the country;
- (2) Adding a new section to chapter 346, Hawaii Revised Statutes, that is limited to mobile medical van programs operating in a county with a population of less than 250,000 and provides that the Department of Human Services shall not require its approval for:
  - (A) A health plan under Medicaid or QUEST to deliver services using a telehealth service; or
  - (B) In-person visits to qualify any telehealth service for coverage under Medicaid or QUEST; and
- (3) 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. 2491, 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. 2491, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Wakai, Karamatsu, Nishimoto, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 133-10 on S.B. No. 2951**

The purpose of this measure is to:

- (1) Provide for fair compensation when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes; and
- (2) Establish the Agricultural Inspection and Certification Special Fund, to be used for the inspection and certification of agricultural commodities.

Cattle ranchers on the Big Island suffered serious financial losses as a result of the Saddle Road widening project. The Department of Land and Natural Resources established a conservation easement on leased land effectively preventing the ranchers from being able to use the leased land for their cattle herds, which required them to reduce their herds at a significant loss. This jeopardized the

lessees' entire business models, because the ranchers were unable to mitigate long-term, fixed costs associated with operating a ranch in the way they had anticipated when the lease was negotiated.

Chapter 171, Hawaii Revised Statutes, presently provides for rent reductions if the land withdrawn causes the land to become unusable for the specific use or uses for which it was originally leased. However, the law provides no other method of compensation. The ranchers are required to maintain insurance and pay taxes for land they cannot use for the specific purpose for which it was originally leased.

Your Committee finds that this measure provides fair compensation when easements render the land unusable for the lessees' original intended purposes yet requires them to maintain insurance and pay taxes for land that no longer supports their existing businesses.

Your Committee has amended this measure by:

- (1) Reverting to S.B. No. 2951, S.D. 2, which provides for fair compensation when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2951, 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. 2951, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Kokubun, Takamine, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Ito, Tsuji, Har, Choy, Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

#### **Conf. Com. Rep. 134-10 on S.B. No. 2600**

The purpose of this bill is to ensure the quality of practice of respiratory care in Hawaii by establishing licensure requirements and regulatory standards for respiratory therapists who practice respiratory care.

Your Committee finds that this measure establishes a regulatory scheme for respiratory therapists, who often treat the most critically ill patients in Hawaii. Your Committee further finds that Hawaii is one of only two states that does not regulate respiratory therapy, and this increases the probability that Hawaii may become a desirable destination for therapists with disciplinary problems in more tightly regulated states. By regulating the practice of respiratory care, your Committee finds that this measure will protect the public from the unqualified practice of respiratory care and from unprofessional conduct by persons licensed to practice respiratory care. This will ensure the continued high quality of respiratory care for which Hawaii is known.

Your Committee has amended this measure by:

- (1) Setting a fee of \$304 for respiratory therapist license issuance and renewal;
- (2) Clarifying the exemption from respiratory therapist licensure requirements for sleep technologists and including a definition of "sleep technologist";
- (3) Requiring respiratory therapist license applicants to have passed the Certified Respiratory Therapist Examination of the National Board for Respiratory Care, or its successor, within ninety days of submitting an application for licensure;
- (4) Removing the continuing education requirement of six credit hours per year for license renewal;
- (5) Clarifying language pertaining to the failure to restore a forfeited license within one year;
- (6) Repealing the respiratory therapist licensure provisions enacted by the measure on June 30, 2016;
- (7) Appropriating \$137,000 for fiscal year 2011-2012 out of the compliance resolution fund to implement the respiratory therapists licensure program; and
- (8) Changing the effective date of the measure to July 1, 2011; provided that the provisions relating to the powers and duties of the Director of Commerce and Consumer Affairs to establish and maintain this program shall take effect upon approval; and provided further that the appropriation section shall take effect on July 1, 2010.

As affirmed by the record of votes of the managers 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. 2600, 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. 2600, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Herkes, M. Oshiro, M. Lee, Finnegan.  
Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (M. Lee, Finnegan).

**Conf. Com. Rep. 135-10 on S.B. No. 2173**

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

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

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

Your Committee on Conference has amended this bill by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance;
- (2) Updating dates cited in the measure;
- (3) Changing the effective date to "upon approval;" and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2173, 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. 2173, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives M. Oshiro, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 136-10 on H.B. No. 2775**

The purpose of this bill is to establish fees for the processing of permits for the importation or possession of plants, animals, microorganisms, or soil into or within the state to provide funding for the Department of Agriculture's permit specialists.

Your Committee on Conference has amended this bill by:

- (1) Adding the dollar amounts for fees to process requests for importation and possession;
- (2) Deleting the section about the Pest Inspection, Quarantine, and Eradication Fund since its contents are in Senate Bill No. 2523;
- (3) Deleting the section repealing the Permit Revolving Fund and transferring the contents of the fund into the Pest Inspection, Quarantine, and Eradication Fund since its contents are in Senate Bill No. 2523;
- (4) Adding an appropriation for funds to review and process permits for the importation or possession of plants, animals, microorganisms or soil into or within the state;
- (5) Changing the effective date to July 1, 2010; and
- (6) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2775, 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. 2775, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Tsuji, Wooley, Chong, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Chong).

**Conf. Com. Rep. 137-10 on H.B. No. 2503**

The purpose of this bill is to expand the permissible uses of the Pesticide Use Revolving Fund (Revolving Fund) by removing the requirement that personnel costs expended from the Revolving Fund be limited to the Registration and Education Section of the Pesticides Branch of the Department of Agriculture.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2010.

As affirmed by the record of votes of the managers 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. 2503, 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. 2503, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Tsuji, Wooley, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 138-10 on H.B. No. 2832**

The purpose of this bill is to require the Taro Security and Purity Task Force to implement the recommendations in the final report submitted prior to the Regular Session 2010, and submit a final report on implementation prior to the convening of the Regular Session 2015.

Your Committee on Conference has amended this bill by:

- (1) Adding a section authorizing the Office of Hawaiian Affairs to seek funding for projects that increase the cultivation and use of taro; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2832, 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. 2832, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Tsuji, Ito, Carroll, M. Oshiro, Nakashima, Sagum, Wooley, Finnegan.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, 2 (Carroll, Finnegan).

**Conf. Com. Rep. 139-10 on H.B. No. 1948**

The purpose of this bill is to expedite the refund to taxpayers of tax overpayments by requiring the Department of Taxation to provide refunds to taxpayers within 90 days of the filing of the tax return or the due date of the tax return, whichever is later.

Your Committee on Conference has amended this bill by:

- (1) Requiring that all general revenues collected from an increase of the entire general excise or use tax rate shall be used first to pay tax refunds delayed from fiscal year 2009-2010 to fiscal year 2010-2011;
- (2) Changing the effective date to July 1, 2010; 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. 1948, 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. 1948, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Chong).

**Conf. Com. Rep. 140-10 on H.B. No. 2594**

The purpose of this bill is to conform state tax law to certain amendments to the Internal Revenue Code.

Your Committee on Conference has amended this measure by conforming to certain provisions in the federal Patient Protection and Affordable Care Act, signed into law on March 23, 2010, which:

- (1) Eliminate a reporting exception for certain payments made to corporations; and
- (2) Expand the scope of payments subject to information reporting for all types of United States persons who are subject to year-end reporting.

Your Committee on Conference has also made technical, nonsubstantive amendments for 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. 2594, 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. 2594, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 141-10 on H.B. No. 2583**

The purpose of this bill is to:

- (1) Establish civil penalties for shark feeding, including impoundment and forfeiture of any commercial marine vessel and imposition of administrative fines, fees, and costs; and
- (2) Provide that the owner of a vessel that is moored without authorization and not removed within the specified time period is responsible for all costs of impoundment and disposal of the vessel incurred by the Department of Land and Natural Resources and for any mooring fees due.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2010; 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. 2583, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2583, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Ito, Karamatsu, Har, Tokioka, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Karamatsu).

**Conf. Com. Rep. 142-10 on H.B. No. 2845**

The purpose of this bill is to allow the Hawaii Housing Finance and Development Corporation (HHFDC) to resell affordable dwelling units on non-ceded lands without being delayed by the legislative approval requirements of Act 176, Session Laws of Hawaii 2009 (Act 176), by exempting the fee simple resale of these units or lots to eligible homeowners from the legislative approval requirements of Act 176.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon its approval;
- (2) Clarifying that lands exempted are the lands not classified as government or crown lands previous to August 15, 1895, or exchanged subsequent to August 15, 1895, for lands classified as government or crown lands previous to August 15, 1895; 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. 2845, 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. 2845, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Sakamoto, Bunda, Galuteria, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Bunda).

Representatives Ito, Cabanilla, Har, Chong, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Cabanilla, Chong).

**Conf. Com. Rep. 143-10 on H.B. No. 2441**

The purpose of this bill is to facilitate new construction in the state by requiring the Department of Hawaiian Home Lands (DHHL), Department of Transportation (DOT), county boards of water supply, and county departments of housing, planning and permitting, and transportation to award project contracts within 30 days of the bid opening date with certain exceptions.

This measure was recommended by the task force that was established pursuant to S.C.R. No. 132, S.D. 1, 2009, to determine the economic contributions of the construction industry in Hawaii, and develop, propose, and recommend state actions to preserve and create new jobs in the construction industry.

Your Committee on Conference believes that this measure will streamline the manner in which the specified procurements are made, thereby funneling much-needed funds into local businesses and industries. However, your Committee on Conference acknowledges that the realities of preparing and evaluating proposals for some types of projects may require more than 30 days before a contract may be awarded in a manner that provides the best value for the State.

Furthermore, your Committee on Conference finds that there have been instances in which the provisions of the procurement code effectively prevented goods and services from being given to the State. Although requiring a potential donee to go through the procurement process to donate goods or services to the State seems nonsensical, your Committee on Conference is nonetheless cognizant of the concerns of the State Procurement Office (SPO) that this measure may encourage a “donate to play” arrangement.

Your Committee on Conference has amended this bill by:

- (1) Limiting the 30-day contract award deadline to only DHHL and DOT projects by removing references to the county boards of water supply and county departments of housing, planning and permitting, and transportation;
- (2) Allowing the deadline to be extended for up to 14 business days if this will provide the opportunity for further negotiations with the lowest responsible bidder relating to considerations that could result in benefits to the public;
- (3) Exempting design-build contracts from the 30-day contract award deadline;
- (4) Changing the effective date to July 1, 2010, and providing that the law will sunset on June 30, 2012;
- (5) Requiring that donations accepted by state agencies be promptly reported to SPO; 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. 2441, 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. 2441, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Choy, Wakai, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

#### **Conf. Com. Rep. 144-10 on H.B. No. 2133**

The purpose of this bill is to require the State Procurement Office to authorize reseller agreements in multi-state contracting agreements and place orders directly with local resellers designated by original equipment manufacturers or other national equipment or products suppliers.

Your Committee on Conference finds that this measure will clarify the law relating to Western States Contracting Alliance multi-state agreements as to which there has been some confusion regarding reseller agreements.

Your Committee on Conference has amended this bill by defining a “local reseller” as one having:

- (1) Its principal place of business or ancillary headquarters located within the state; and
- (2) Not less than 35 percent of its employees residing within the state.

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

Your Committee on Conference finds that by requiring government agencies to contract with local resellers, the State positions itself to receive better pricing and better service while promoting local business and increasing Hawaii’s tax base.

In addition, it is with regret that agreement could not be reached on the H.D. 1 position giving Hawaii small business a flat procurement preference. Although the procurement code currently contains a small business set-aside, the law is not benefiting small businesses because it is difficult to implement. The H.D. 1 amended the set-aside to establish a flat five percent preference for Hawaii small businesses that would have given small businesses a better opportunity to compete for government contracts.

As affirmed by the record of votes of the managers 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. 2133, 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. 2133, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, Ige, Takamine.



Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Takamine).

Representatives McKelvey, Choy, Ward.  
Managers on the part of the House.  
Ayes, 3; Ayes with Reservations (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 145-10 on H.B. No. 1808**

The purpose of this measure is to clarify the definition of “shoreline” under the Coastal Zone Management Law, by establishing as an indicator of the highest wash of the waves, the edge of natural vegetation growth, but never lower than the upper limit of debris left by the wash of the waves.

Your Committee on Conference has amended this bill by reverting back to the H.D. 3 of this measure, with further amendments. As amended, this bill now ensures public access to beaches through provisions that:

- (1) Require the Department of Land and Natural Resources (DLNR) to maintain access within beach transit corridors by requiring landowners to keep corridors abutting their lands passable and free of the landowners’ human-induced, enhanced, or unmaintained vegetation (human-induced vegetation) that interferes or encroaches in the corridors;
- (2) Authorize DLNR to use its enforcement powers under the Conservation District laws to maintain access within the beach transit corridors and give offending landowners 21 days to remove the landowners’ human-induced vegetation, which time period may be tolled by an appeal;
- (3) Define “beach transit corridors”;
- (4) Amend the misdemeanor offense of obstructing access to public property to include violations occurring within beach transit corridors that obstruct access along the sea by a landowner’s human-induced vegetation that interferes or encroaches within beach transit corridors;
- (5) Establish access within beach transit corridors as a policy of the Coastal Zone Management Program; and
- (6) Sunset on June 30, 2013.

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

Your Committee on Conference finds that this bill, as amended, reaffirms a longstanding public policy of extending to public use and ownership as much of Hawaii’s shoreline as is reasonably possible and ensuring the public’s lateral access along the shoreline, by requiring the removal of induced or cultivated vegetation by abutting landowners that interferes or encroaches seaward of the shoreline.

As affirmed by the record of votes of the managers 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. 1808, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1808, H.D. 3, S.D. 1, C.D. 1.

Signed by the Chairs and the President of the Senate on behalf of the Committee.

Senators Hee, English, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 4; Ayes with Reservations (English). Noes, none. Excused, none.

Representatives Morita, Ito, Karamatsu, Har, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Karamatsu).

**Conf. Com. Rep. 146-10 on H.B. No. 347**

The purpose of this bill is to exempt the University of Hawaii (UH) and UH Board of Regents (BOR) from certain requirements of the Hawaii Public Procurement Code (Code).

Your Committee on Conference has amended this bill by:

- (1) Exempting UH from the requirements of the Code, with certain exceptions;
- (2) Requiring BOR to submit annual reports to the Legislature prior to the 2011 and 2012 regular sessions, regarding:
  - (A) UH’s internal procurement process;
  - (B) UH’s internal procedures for handling protests of solicitations or awards of contracts, if different from the procedures described in the Code; and
  - (C) Protests or litigation that have arisen during the period of time that UH is exempt from the Code, with certain exceptions;
- (3) Changing the effective date to July 1, 2010; 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. 347, 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. 347, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Taniguchi, Kokubun, Takamine, Hemmings.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Chang, Yamashita, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 147-10 on H.B. No. 2486**

The purpose of this bill is to ensure that students have a sufficient amount of classroom time by requiring all public schools, including charter schools, to implement a minimum of 200 days of classroom instruction, or an equivalent number of instructional hours, per school year, beginning with the 2011-2012 school year.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provisions that require the implementation of a minimum of 200 days of classroom instruction, or an equivalent number of instructional hours, per school year, beginning with the 2011-2012 school year;
- (2) Requiring the Department of Education (DOE) to maximize the amount of student instructional hours provided to students under relevant collective bargaining agreements in effect during the 2010-2011 school year;
- (3) Requiring the establishment of a certain number of student instructional hours per school year for elementary and secondary school grades, for the 2011-2013 school years, and for the 2013-2015 school years;
- (4) Requiring DOE, with the Board of Education and Office of the Governor, and in consultation with the representatives of the affected collective bargaining units, to submit to the Legislature, prior to the Regular Session of 2012, a plan to provide students with a higher number of student instructional hours per school year for elementary and secondary school grades, for future school years;
- (5) Excluding charter schools from the provisions of the bill;
- (6) Requiring DOE to consider pick-up and drop-off times that optimize its transportation services while minimizing costs to the State, if implementation of the student instructional hours results in varying schedules for the transportation of students;
- (7) Changing the effective date to upon its approval; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the purpose language to reflect the amendments made to 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 H.B. No. 2486, 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. 2486, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Takamine, Tsutsui, Chun Oakland, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Takumi, Rhoads, M. Oshiro, Berg, Nakashima, Finnegan.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 148-10 on H.B. No. 2542**

The purpose of this bill is to help address the fiscal year 2010-2011 budget shortfall by transferring a total of \$45,197,000 in excess balances from various non-general funds as follows:

- (1) \$1,000,000 from the Agricultural Loan Reserve Fund;
- (2) \$1,500,000 from the State Motor Pool Revolving Fund;
- (3) \$2,000,000 from the State Risk Management Revolving Fund;
- (4) \$2,000,000 from the Stadium Special Fund;
- (5) \$1,500,000 from the Medicaid Investigations Recovery Fund;
- (6) \$1,000,000 from the Hawaii Community Development Revolving Fund;
- (7) \$2,000,000 from the Convention Center Enterprise Special Fund;
- (8) \$300,000 from the Foreign Trade Zones Special Fund;
- (9) \$1,500,000 from the Compliance Resolution Fund – Business Registration Fund Account;
- (10) \$1,400,000 from the Department of Commerce and Consumer Affairs Special Drivers Education Fund;
- (11) \$3,200,000 from the Loss Mitigation Grant Fund;

- (12) \$1,000,000 from the Department of Education Drivers Education Fund Account;
- (13) \$1,000,000 from the Deposit Beverage Container Deposit Special Fund;
- (14) \$7,200,000 from the Hawaii Tobacco Settlement Special Fund;
- (15) \$1,000,000 from the Neurotrauma Special Fund;
- (16) \$7,000,000 from the Special Fund for Disability Benefits;
- (17) \$1,000,000 from the Land Conservation Fund;
- (18) \$500,000 from the Natural Area Reserve Fund;
- (19) \$500,000 from the Federal Reimbursement Maximization Special Fund;
- (20) \$2,000,000 from the University of Hawaii Housing Assistance Revolving Fund;
- (21) \$2,500,000 from the University Revenue-undertakings Fund;
- (22) \$400,000 from the University of Hawaii Research and Training Revolving Fund;
- (23) \$2,000,000 from the Judiciary Computer System Special Fund;
- (24) \$1,500,000 from the Driver Education and Training Fund; and
- (25) \$197,000 from the Department of Business, Economic Development, and Tourism (DBEDT).

This bill also:

- (1) Requires the refundable credit of the Fuel Tax Credit for Commercial Fishers to be paid from the State Highway Fund;
- (2) Requires moneys in excess of \$14,000,000 in the Hawaii Tobacco Prevention and Control Trust Fund to lapse to the Emergency and Budget Reserve Fund each June 30;
- (3) Reduces the distributions of cigarette and tobacco tax revenues to various non-general funds for the period from July 1, 2011, to July 1, 2013; and
- (4) Repeals the requirement that moneys in the Special Fund for Disability Benefits be held in trust and used only for disability benefits.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the Director of Finance to transfer from the Disaster Loan Revolving Fund to the general fund the sum of \$1,000,000 for fiscal year 2010-2011;
- (2) Deleting provisions:
  - (A) Transferring \$197,000 from DBEDT;
  - (B) Requiring moneys in excess of \$14,000,000 in the Hawaii Tobacco Prevention and Control Trust Fund to lapse to the Emergency and Budget Reserve Fund each June 30; and
  - (C) Repealing the requirement that moneys in the Special Fund for Disability Benefits be held in trust and used only for disability benefits;
- (3) Changing the effective date to July 1, 2010; and
- (4) 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. 2542, 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. 2542, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kidani, Kokubun.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 149-10 on H.B. No. 2318**

The purpose of this bill is to assist chronically homeless individuals by establishing a Housing First Special Fund and authorizing the Hawaii Public Housing Authority (HPHA), in collaboration with the Department of Human Services (DHS), to implement Housing First programs and services, subject to the availability of existing funds or Housing First Special Fund moneys.

Your Committee on Conference has amended this bill by:

- (1) Mandating, rather than authorizing, the implementation of Housing First programs and services, subject to the availability of existing funds or Housing First Special Fund moneys, and placing this requirement in statute;
- (2) Requiring HPHA, in collaboration with DHS, to submit an annual report to the Legislature including specified information regarding Housing First programs and services;
- (3) Removing the sunset date of June 30, 2016;
- (4) Changing the effective date to July 1, 2010; 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. 2318, 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. 2318, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Chun Oakland, Fukunaga, Tsutsui, Hemmings.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Cabanilla, Ito, Yamane, Mizuno, Sagum, Chong, Thielen.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, 1 (Thielen).

#### **Conf. Com. Rep. 150-10 on H.B. No. 2000**

The purpose of this bill is to provide the Judiciary with supplemental appropriations and authorizations for its operations and capital improvements for fiscal biennium 2009-2011 by amending the Judiciary Appropriations Act of 2009.

Dramatic reductions of projected State revenue have resulted in a \$1,200,000,000 budget gap through the end of the current fiscal biennium. In response, the Governor restricted fiscal year 2009-2010 executive branch expenditures by an amount equal to 13.85 per cent of payroll and proceeded to reduce the supplemental budget request of executive branch agencies for fiscal year 2010-2011 by a similar percentage. This amount is based on the projected savings that three furlough days per month would accrue. Though the Judiciary officially requested that its general fund budget for fiscal year 2010-2011 be maintained at its current appropriation level, a similar reduction to the Judiciary's budget would be approximately \$12,000,000.

To reflect the Judiciary's two-day per month furlough savings in a manner comparable to that of other state agencies, your Committee on Conference has amended this measure to reduce the Judiciary budget by a total of \$8,000,000 in general funds as calculated by the Department of Budget and Finance. An additional lump sum reduction of \$1,500,000 was imposed to allow the Judiciary to allocate this reduction in accordance with its priorities. The total reduction, which is significantly smaller than that imposed on most other state agencies, affirms that, on a statewide level, your Committee on Conference has prioritized the core responsibilities of the Judiciary.

Additionally, your Committee on Conference was persuaded by the case made by Judiciary officials and others for specialty courts; that the cost of incarcerating individuals far exceeds that of enrolling them in these programs and that recidivism is markedly decreased for those participating in these programs. Information provided indicates that the annual cost for 387 adult inmates to participate in the Adult Drug Court is \$3,100,000, while the annual cost to incarcerate these same inmates is in excess of \$19,600,000 (\$139 per day, per inmate or \$50,735 per year, per inmate). Similarly, the annual cost for 68 youth offenders to participate in Juvenile Drug Courts is approximately \$1,000,000, while the annual cost to detain these same juveniles is approximately \$6,590,000 (\$278 per day, per offender, or \$101,470 per year, per offender). Significant savings are also realized under the Hawaii's Opportunity Probation with Enforcement ("HOPE") program, which costs approximately \$1.82 per day, per probationer, versus \$139 per day per inmate.

In acknowledgement of the arguments made and the information provided by the Judiciary, \$1,300,000 has been provided for the Judiciary's specialty courts. Your Committee on Conference looks forward to receiving data affirming the cost effectiveness of these programs.

In total, this measure appropriates \$130,730,624 in general funds and \$141,747,129 in all means of financing for the fiscal year 2010-2011 operating budget of the Judiciary.

Your Committee on Conference further finds that, in 2006, the Legislature appropriated funds for master planning for capital improvements and other physical facilities-related projects for the Judiciary. This plan is anticipated to be completed during the summer of 2010. Accordingly, your Committee on Conference expects that the completion of the master plan will assist the Judiciary, as well as the Legislature, in better understanding the future needs for new facilities and for repair and maintenance projects within the Judiciary's purview. Additionally, this information will prove valuable in assessing short- and long-range funding needs, as well as the ability of the Judiciary to execute and complete the work determined necessary under this plan.

Consequently, given the strained economic climate and the fact that it would be prudent to review the master plan before proceeding with further funding as requested, your Committee on Conference has provided no additional capital improvements program funding to the Judiciary for fiscal year 2011.

As affirmed by the record of votes of the managers 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. 2000, 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. 2000, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kim, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, M. Oshiro, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 151-10 on H.B. No. 2200**

**I. INTRODUCTION**

The 2009 Legislature was faced with an unprecedented budget challenge – a three-year shortfall of approximately \$2.1 billion. Although a balanced budget and financial plan were adopted by the Legislature at the end of the 2009 session, revenues continued to slide, and by January 2010 the State was faced with another daunting budget shortfall of approximately \$1.2 billion over a two-year period.

On September 4, 2009, in a statewide address, the Governor stated that she was planning “a reshaping and right-sizing of government.” In her January 25, 2010, state of the state address, the Governor stated that “we must do what it takes to create a future that does not financially burden our children and grandchildren simply because we weren’t willing to make those difficult, sometimes gut-wrenching decisions, when destiny called on us to do so.” Your Committee on Conference appreciates the sentiments, but its examination of the budget and other fiscal measures presented reveals that the Governor’s actions clearly contradict these statements.

Rather than “reshaping and right-sizing government,” a serious exercise that would require considerable planning, thought, and use of the right tools, it is as if the Governor just took a mallet and hammered every state agency down to achieve her desired level of savings. The approach taken was no more complex than simply requiring that each department reduce general fund expenditures by the same proportion.

Similarly, the Governor’s budget and financial plan consists of one-time solutions and quick fixes, many that pass off financial burdens to future years or simply ignore them altogether. These costs include, among others, deferred payments, delayed tax rebates, and not addressing rising Medicaid costs, restructuring debt, and employee retirement system contributions.

This is the context from which your Committee on Conference reviewed the Governor’s supplemental budget request. The lack of serious proposals providing structural solutions to the current fiscal crisis and budgetary actions already imposed by the Governor has made it difficult to thoroughly assess all options.

Nevertheless, your Committee developed a budget that recognizes the need to reduce expenditures and reprioritize state spending to maintain the most essential services that state government provides: caring for those who are least able to care for themselves, cultivating an environment in which our children can thrive, and protecting our natural resources. Your Committee on Conference greatly appreciates the efforts of those who worked with us to address the issues we faced in the most positive manner possible.

**II. ECONOMIC OUTLOOK**

National Economic Outlook

According to the Congressional Budget Office, “The deep recession that began two years ago appears to have ended in mid-2009. Economic activity picked up during the second half of last year, with inflation-adjusted GDP and industrial production both showing gains.”

Furthermore, the 2010 Economic Report of the President shows that the rate of average monthly job loss dropped from 690,000 in the first quarter to 69,000 jobs in the fourth quarter of 2009. The report also states that the credit market remains fragile, but that there are signs of hope.

At the end of 2009, the Standard and Poor’s index was 65 per cent above its low point nine months earlier. During a similar period, monthly small business loans grew from \$830 million to \$1.3 billion.

The housing market also seems to be improving, posting fourth quarter sales that were 29 per cent higher than first quarter sales in 2009. Your Committee on Conference is hopeful that the national economy has stabilized and is slowly advancing beyond the recession.

The Economic Outlook for Hawaii

According to the University of Hawaii Economic Research Organization (UHRO), “Hawaii’s economic recovery has begun” despite the lingering effects of the recent national recession. According to UHRO:

- Visitor arrivals edged up slightly over the course of 2009 and visitor spending stabilized by year end;
- Stabilization of job losses in recent months has set the stage for a resumption of modest job growth in 2010; and
- Statewide unemployment is expected to edge down from 6.9 per cent this year to 6.4 per cent in 2011.

**III. GENERAL FUND REVENUE OUTLOOK**

By statute, the Council on Revenues reports its latest tax revenue forecast to the Governor and the Legislature on June 1, September 10, January 10, and March 15 of each year. The revenues come primarily from the general excise tax and the state income tax. At seven of the eight Council meetings held since the March 2008 forecast, the Council on Revenues has reduced its prediction of tax revenues for the coming fiscal years. From March 2009 to March 2010, the Council’s general fund tax and non-tax revenue projection for the current biennium dropped by \$626.2 million.

The Governor based the administration's original supplemental budget request, intended to close the \$1.2 billion budget gap, on the December 2009 Council on Revenue's projection. On March 11, 2010, the Council on Revenues revised its forecast downward; the projection was adjusted by minus \$34.8 million for the current biennium and minus \$334.4 million over the six year planning period (Fiscal Years 2010-15).

Despite the slight downward adjustment in the March 2010 forecast, the Council maintained its projection for six per cent growth in revenues during fiscal years 2011-2014. The Council Chair's letter to the Governor, officially delivering the forecast and explaining the basis for the projection, referenced several positive indicators and contained optimistic statements including:

- *Hawaii tourism volumes have been in a stable pattern for almost a year and a half;*
- *Inflation-adjusted value of tourism receipts show signs of recovery in just the last six months;*
- *Housing markets and valuations have also stabilized, with some upward movement on Oahu;*
- *Job loss in Hawaii remains persistent, but in smaller monthly increments than was the case during the last two years;*
- *Broadly, these and other indicators are consistent with gradual economic recovery in the current and coming years; and*
- *All of these elements seem likely to underscore forthcoming economic improvement in the islands.*

In its March 2010 report, the Council on Revenues reported that "the shift in expectations for future Hawaii economic performance from negative to positive is palpable" and that indicators "are consistent with gradual economic recovery in the current and coming fiscal years."

Despite the Council's recent track record of lagging the decline in revenues, your Committee on Conference has cautiously accepted the projection and notes the significant risk that exists for revenue growth assumptions for the next two biennium.

These statements and economic indicators have allowed your Committee on Conference to address significant challenges posed by the State's current fiscal climate with cautious optimism.

#### IV. BUDGET OVERVIEW

Personnel expenses comprise the greatest cost contained in the State's budget. The Governor originally planned to impose a statewide three day per month furlough which would have saved 13.85 per cent of payroll costs. However, the courts ruled that the Governor could not unilaterally impose a furlough and could employ furloughs only through the collective bargaining process. Though not able to achieve the Governor's planned savings through the collective bargaining process, the original three day per month furlough savings estimates were used as the target reduction amounts in the development of the fiscal year 2011 supplemental budget request.

Furlough savings are now projected at close to \$200 million. In addition, a statewide hiring freeze has left numerous positions vacant. The Governor reduced many of these budgeted positions and salaries, amounting to savings of \$11.7 million. The last piece of the Governor's plan to save on labor costs was the reduction in force (RIF) implemented late last year. The reduction of the nearly 1,000 positions and salaries of persons initially subjected to the RIF results in \$43 million in savings.

In addition to vacancy reductions, RIF, and furloughs, departments were expected to make other adjustments as necessary to meet their target reduction amounts. In essence, departments have already been operating within these reduced budget ceilings due to the Governor's budget restrictions for fiscal year 2010.

As adjusted by Governor's message items, the Governor's supplemental budget request adds \$390 thousand for fiscal year 2010 and reduces 1,291 permanent positions and \$324 million for fiscal year 2011 in general funds.

Your Committee on Conference accepted several of the Governor's requested budget adjustments, since they reflect savings that state agencies are already forced to realize through the furloughs, statewide hiring freeze, RIF, and other budget restrictions imposed by the Governor for fiscal year 2010.

With regard to the RIF, it is apparent that its execution involved minimal deliberation with the affected parties. Departments have reported being given numbers of positions to target, without regard to the amount of savings or whether the action was even necessary. However, at this point, the RIF has been implemented; people have already lost their jobs, and many others have been affected by the bumping process.

To properly account for projected expenditures, your Committee on Conference reflected much of the savings resulting from the Governor's sweeping actions. However, your Committee on Conference identified areas of importance that, to some extent, should be protected from the Governor's budget reductions. This includes the restoration of vital positions in: 1) the Department of Agriculture in order to protect our islands from invasive species; 2) the Department of Public Safety to help secure the Hawaii State Hospital; and 3) the Department of Human Services to ensure the provision of essential services to those in need.

Your Committee on Conference responded to the needs of Hawaii's public education by increasing funds to strengthen the weighted student formula. Furthermore, your Committee on Conference also recognized the importance of libraries and has provided an additional \$3 million to support their services to the public. This was accomplished within the Governor's proposed general fund budget ceiling through the careful reallocation of resources.

Your Committee on Conference developed this budget without reliance on adjustments to the general excise tax to enhance general fund revenue. The increase of a broad-based tax such as the general excise tax could jeopardize the course of Hawaii's economic recovery. Your Committee on Conference utilized alternative methods of increasing revenue to close the budget deficit.

#### V. DEPARTMENT HIGHLIGHTS

##### Education



School furlough days are a direct result of negotiations between the Governor, Board of Education, Superintendent, and the Hawaii State Teachers Association and were intended to help meet the budget restrictions imposed by the Governor. Your Committee's priority for education has been to eliminate school furlough days and return Hawaii's students to a level of instruction previously provided. Despite having by law (section 89-6, Hawaii Revised Statutes) three of the six employer votes required to enter into the agreement to impose furlough days, the Governor has stated repeatedly that the administration, "remains committed to getting the kids back in the classroom." At odds with this claim is the fact that the Governor's budget request before the Legislature for the Department of Education continues to be built on savings generated by maintaining school furlough days.

Unfortunately, the furlough issue remains unresolved despite countless proposals put forth by all sides. Since the Legislature cannot depend on the Governor to release the needed funds to get our children back in the classroom, your Committee on Conference allocated \$22.7 million to the weighted student formula to support the core functions of the department.

The weighted student formula is a form of student-based budgeting meant to transparently distribute funds to schools based upon recognized student educational need and characteristics to promote equity for educational opportunities across our public school system. By reallocating school dollars identified by the Board of Education from lower priority programs to the weighted student formula, the Legislature reaffirms its desire to provide each school community with flexibility in determining how best to meet student needs.

Your Committee on Conference accepted the proposal made by the Board of Education that identifies funding reductions for categorical programs. While many of these programs have merit, they use funds that could support the department's core function: student learning in the areas of math, science, and English. Your Committee on Conference understands that people value the programs identified by the Board of Education and that these programs can continue to exist if they are valued by school communities and funded through the weighted student formula, as intended by Act 51, Session Laws of Hawaii 2004.

In addition to the proposals made by the Board of Education, your Committee on Conference has eliminated the general fund subsidy to the Afterschool (A+) Program, representing a \$2 million savings. This reduction comes with the recognition that all government services cannot be subsidized at previous levels. However, afterschool care for students currently receiving free or reduced lunch status will continue to be subsidized via Temporary Assistance to Needy Families (TANF) funds. The funds saved through this adjustment will also stay within the Department of Education and are allocated for the weighted student formula.

#### Charter Schools

Your Committee on Conference sought to address charter school funding issues that repeatedly surface. There has been a lackadaisical attitude toward legislative requests to provide current and complete financial and operational information. Despite hurdles in obtaining relevant information, your Committee on Conference focused on establishing a platform upon which per pupil funding comparisons among all students will be transparent and equitable.

The Governor's proposed budget does not attempt to provide a similar per pupil amount for charter schools based upon the Department of Education's appropriation and the charter schools projected enrollment. Your Committee on Conference recognizes that additional funds are needed to make the per pupil funding amount provided to charter school students comparable to the per pupil funding amount provided to Department of Education students. This addition is largely due to a substantial enrollment increase projected by charter schools. Actual enrollment for charter schools for the 2009-2010 school year has been reported as 8,098 students. Projected enrollment for the 2010-2011 school year is 9,668 students, representing a projected 19.4 per cent increase in charter school enrollment.

To meet this need and provide comparable funding for charter school students, your Committee on Conference added a total of \$5.3 million in general funds for the new per pupil funding calculation and facility costs, using updated projected enrollment and the appropriation amounts for the Department of Education. However, over-projection of student enrollment has been a problem with charter schools, and receipt of these funds is contingent upon actual enrollment increases.

#### Libraries

Your Committee on Conference also recognizes the importance of Hawaii's public libraries in nurturing the love of reading and the habit of life-long learning. Public libraries remain a tremendously appreciated component of our communities, providing valuable services to all social strata.

The non-profit group, Friends of the Library of Hawaii, has proven itself to be an indispensable contributor to help offset some of the restrictions imposed by the Governor on libraries. Your Committee on Conference recognizes the need to sustain this invaluable service and has restored all \$3 million in general funds to the department's budget. The restoration of these funds will eliminate library furlough days, increase service hours, and prevent closure of branches.

#### Higher Education

Your Committee on Conference acknowledges the University of Hawaii as the State's premier institution for higher learning; a nationally recognized research institution; and a major contributor to our local economy.

Your Committee on Conference is aware of the fact that the University of Hawaii has the ability to generate its own funds through tuition and fees. As a result, your Committee believes that the University can use these generated funds to offset a \$7.5 million dollar general fund reduction.

Your Committee on Conference recognizes the importance of preserving the historic resources of Mauna Kea. Mauna Kea has the potential to generate over \$1.2 billion in investment to the State in coming years. Your Committee on Conference added \$1.98 million in revolving funds and \$200,000 in general funds to support the Mauna Kea Management program.

Your Committee on Conference is concerned with the University's faculty payroll increase for fiscal years 2013-2015, agreed upon through the collective bargaining process with the University of Hawaii Professional Assembly (UHPA). The agreement increases

total state payroll costs by \$45.6 million over fiscal years 2013-2015. It should be noted that your Committee on Conference believes the University should be fully responsible for funding these pay increases without the use of general funds, especially in this time of great economic stress.

#### Human Services

Your Committee on Conference understands the importance of supporting the Department of Human Services (DHS) in its effort to provide for the growing numbers who need government services. A convergence of job loss, rising medical costs, and limited housing options has resulted in a devastating perfect storm, leaving many to seek assistance.

Your Committee on Conference recognizes the challenge of providing social services to Hawaii's most vulnerable under the State's fiscal constraints. Accordingly, S.B. No. 2469, S.D. 2, H.D. 2, C.D. 1 appropriates special funds from the Emergency and Budget Reserve fund to support various programs such as kupuna care, adult dental services, respite services, health aging partnership, domestic violence shelters, outreach services, and housing placement services.

Your Committee on Conference accepted the Governor's proposal to save \$13.1 million in state general funds by utilizing Temporary Assistance for Needy Families (TANF) funds to pay for the Afterschool (A+) Program and cash assistance for two-parent households receiving welfare. This is part of a larger plan to increase our expenditure of TANF funds in order to earn an additional \$49 million in Emergency Contingency Funds.

However, serious concerns were raised by the House of Representatives with regard to TANF. On February 16, 2010, DHS submitted its financial plan for the State's TANF program. A review of this plan caused the House of Representatives Committee on Finance to adjust budget provisions to conform expenditures to those stated in the department's plan.

In response, DHS expressed grave concerns in correspondence to the Legislature and press releases. These statements attributed the House of Representatives Committee on Finance with preventing the State from receiving all of the \$49 million dollars in federal stimulus funds and eliminating funding for Child Welfare Services POS contracts, Enhanced Healthy Start and UPLINK. However, at an April 12, 2010, informational briefing, DHS admitted to having already received \$25 million of this \$49 million, and DHS administrative personnel appeared surprised to learn that their own plan had eliminated funding for Child Welfare Services POS contracts, Enhanced Healthy Start, and UPLINK.

Your Committee notes that the Emergency Contingency fund extension has yet to pass the United States Congress. Additionally, there is currently no proposal to extend the TANF Emergency Contingency funds past fiscal year 2011. If these emergency TANF funds are not available for states after the next fiscal year, Hawaii may have to reduce a considerable amount of expenditures from its TANF expenditure plan, resulting in cuts to service providers across the entire spectrum.

Understanding the importance of timely service and personal interaction when providing assistance to those in need, your Committee on Conference restored 440.5 positions and \$5.5 million in general funds to help alleviate mounting demands that are being placed on DHS.

Providing necessary health care to Hawaii's needy residents is an important service delivered by DHS. However, over the course of the Governor's tenure, Medicaid-subsidized health care has expanded far beyond what can be deemed medically necessary.

Hawaii residents eligible for Medicaid can look forward to receiving a premium health care plan, which contain benefits and services that far exceed those found in private plans. With no limits on utilization, no deductible, no co-pay, and no premiums, this program has the potential to overwhelm the ability of the State to manage its finances.

Unfettered Medicaid expansion, coupled with the economic downturn, has created a grim financial situation. DHS has looked into restricting eligibility as another means to control its shortfall. However, as a recipient of ARRA funding, the State is required to leave the current eligibility criteria in place in order to provide for those who have been affected by the recession.

Medical inflation and increasing enrollment created a budget shortfall that must be addressed. When charged with the task of finding solutions to the Medicaid shortfall, DHS chose to delay Medicaid payments, with the intent of paying off these costs with future appropriations. In effect, DHS undertook a plan that the director described as, "robbing Peter to pay Paul." As a result, a shortfall of \$64 million from fiscal year 2009 was carried over into fiscal year 2010, and it is forecasted that \$44 million will be carried over into fiscal year 2011. By fiscal year 2015, the annual Medicaid shortfall is projected to be in excess of \$200 million, an amount that the State cannot afford to put off.

Securing health care for Hawaii's most needy residents is of the utmost importance. In an effort to ensure the delivery of medical services, your Committee on Conference appropriated \$64 million to address the State's Medicaid shortfall.

#### Health

Your Committee on Conference is dedicated to ensuring that essential health care, safety, and environmental health remain a legislative priority in the face of the State's economic crisis.

For the Department of Health (DOH), the Governor eliminated \$26.8 million and 339.88 positions, representing 24 per cent of the State's total budget cuts for fiscal year 2011. The Governor's severe restrictions, implemented by the DOH in fiscal year 2010, have significantly diminished public health and environmental protections for the people of Hawaii. Your Committee on Conference was unable to control the ability of the Governor to implement reductions in programs such as: mental health services; dental hygiene services for children; and environmental health for vector control and disease management.

Your Committee on Conference recognizes the critical importance of providing efficient statewide waste water and drinking water services to residents, visitors, and businesses in Hawaii. To ensure that Hawaii's counties continue their waste water and drinking water infrastructure improvements, your Committee on Conference has appropriated \$19.8 million in federal stimulus funds.

Your Committee on Conference supports preventative health services for child abuse and for families that have ongoing care responsibilities for developmentally or mentally disabled family members. To meet this need, during the 2009 regular session, the Legislature restored \$4.1 million with special funds to support programs such as Healthy Start, Respite Care, and Partnership in Community Living (PICL). Regrettably, the Governor has refused to use these funds for the services. Although your Committee on Conference disagrees with the Governor's refusal to restore these services, your Committee on Conference has made the hard choice of reducing the \$4.1 million special fund ceiling for Healthy Start, Respite Care, and PICL that would otherwise go unused, so that it may be made available for other programs.

Also, your Committee on Conference is mindful of the State's responsibility to reduce its current course of spending and level of services to accommodate the availability of revenue. To this end, your Committee on Conference has reduced five per cent, or \$5.6 million of general funds budgeted for purchase of services contracts for the department. The reductions taken were in the areas of general dentistry and nursing services, mental health, developmental disabilities, and general family health services.

In this economic downturn, Hawaii's emergency health services and community health centers have seen an unprecedented increase in uninsured and underinsured persons requiring essential primary care, mental health care, and substance abuse care services. Your Committee on Conference recognizes the importance of providing these necessary healthcare services for the people of Hawaii, especially at this difficult time. Your Committee on Conference has appropriated an additional \$4.5 million in general funds for emergency medical services and \$2 million in special funds for community health centers to ensure the people of Hawaii continue to receive essential health services.

Finally, your Committee on Conference supports re-evaluating tobacco settlement special fund and cigarette tax distributions for fiscal year 2012 and beyond.

#### Hawaii Health Systems Corporation

Your Committee on Conference affirms its commitment to provide the necessary resources to help the Hawaii Health Systems Corporation (HHSC) maintain safety net acute and long term care health services to Hawaii's most vulnerable citizens and visitors; especially those of the neighbor islands. HHSC continues to face tremendous challenges in the midst of the State's financial crisis with, among other things, rising uncompensated care for the aged and uninsured, rising costs to provide care, and federal and private reimbursement rates failing to keep pace with rising medical costs.

To assist HHSC regional and corporate offices in meeting their immediate payment obligations, your Committee on Conference has restored the majority of special funds for fiscal year 2011 that the Governor reduced. However, your Committee on Conference remains concerned with the management of the HHSC regional hospitals and supports ongoing accountability and transparency for both fiscal and operational matters of the HHSC regional hospitals.

#### Public Safety

Your Committee on Conference remains supportive of the Department of Public Safety's responsibility for custody of Hawaii's inmates and protection of the State's general population.

However, your Committee on Conference is uncomfortable with the Governor's quick closure of Kulani Correctional Facility and subsequent transfer of the facility to the Department of Defense's Youth Challenge Academy; the Governor eliminated the Kulani Correctional Facility without any community consultation and despite outspoken legislative concern. The Governor's abrupt action reportedly saves approximately \$5.8 million dollars; however, these savings come at the cost of eradicating one of the top Sex Offender Treatment Programs (SOTP) in the nation, ending a successful re-entry program, and eliminating a significant economic engine for Big Island vendors.

Additionally, your Committee on Conference has difficulty understanding the rationale of subjecting all of the department's security officers to RIF, especially with the recent escapes from the Hawaii State Hospital. The loss of these officers has severely compromised the safety of the surrounding area. Accordingly, your Committee on Conference has restored all security officers assigned to Hawaii State Hospital, in addition to those stationed at Waimano Training School and Hospital and Fort Ruger.

Your Committee on Conference finds that overtime and compensatory time provided by the department remains exorbitant: there is \$8.8 million in overtime and \$2.4 million in compensatory time on the books. The millions of dollars paid out for these costs can artificially inflate the pensions of workers and result in serious financial liabilities for the State. Your Committee on Conference expects the department to better address this issue. In light of this significant problem, your Committee on Conference has reduced the department's overtime budget by \$500,000, which will be applied proportionately throughout the facilities and programs.

#### Agriculture

Agriculture remains an integral component of Hawaii's future. Your Committee on Conference is dedicated to decreasing Hawaii's dependence on imported food products, increasing our export presence, and protecting our State from invasive species.

Your Committee on Conference is dismayed not just by the Governor's staggering 44 per cent general fund reduction to the department's budget, but also by the department's seeming reluctance to protect its budget from the Governor. Not only would deep reductions to the department severely compromise the State's efforts to prevent the establishment of new invasive species, it would also inevitably jeopardize Hawaii's agricultural industry.

The Governor's proposal to change the means of financing for 22 Plant Quarantine Inspectors provides a temporary remedy. These inspectors are necessary to keep Neighbor Island ports open; however, the Governor's budget fails to acknowledge that the greatest need for additional Plant Quarantine Inspectors is at the epicenter of the distribution network, Honolulu. As such, your Committee on Conference has restored a total of 25 positions with full funding to Plant Pest and Disease Control to reinstate essential positions both on Oahu the Neighbor Islands.

Your Committee on Conference has also reestablished positions imperative to the following programs: Rabies Quarantine, Quality and Price Assurance, Aquaculture Development, Agricultural Development and Marketing, Measurement Standards, Administration

and Pesticides. The restoration of these positions will ensure that Hawaii's agribusiness development, agricultural productivity, and frontline defense from invasive species and harmful diseases are effectively supported.

#### Business, Economic Development, and Tourism

Your Committee on Conference recognizes the importance of Hawaii's businesses as a driving force behind the State's economic recovery and that proper support must be in place to assist them.

As a premier filming destination, Hawaii has a reputation for being an attractive, film-friendly location that draws industry leaders to our shores. These film projects not only promote the beauty of the State, but also generate between \$150-200 million annually, which will aid in Hawaii's economic recovery. Surprisingly, the Governor chose to substantially reduce the state program that supports this industry, firing four of six Film Industry Branch employees.

Your Committee on Conference rejects the Governor's actions that would inhibit the growth of an industry that significantly affects Hawaii's economy in a positive manner. Your Committee on Conference understands the importance of the Film Industry Branch and restores the positions reduced by the Governor in H.B. No. 2690, which moves the function and funding of the program to the Hawaii Tourism Authority (HTA).

Alignment of the Film Industry Branch with the HTA will support growth of the film industry in Hawaii and also result in the effective marketing of Hawaii. With access to the HTA's resources and marketing expertise, the Film Industry Branch will be better able to draw film projects to Hawaii. Your Committee on Conference supports the important role of the Film Industry Branch, which serves to support a clean industry that has a significant positive economic impact for Hawaii.

Supporting Hawaii's businesses with funds that are in limited supply has been difficult. Your Committee on Conference understands the need to find creative solutions and has identified positions that can utilize new sources of funding. In particular, your Committee on Conference has saved general funds by utilizing the energy security special fund to support the Energy Program and Hawaii's Clean Energy Initiative.

In recognition of the State's Aerospace program, your Committee on Conference has established the Energy, Environment, and Aerospace program of the State of Hawaii. The Aerospace program will coexist with other state programs that are able to access substantial amounts of federal and other non-general funds. Receipt of these non-general funds should reduce the need for general fund expenditures. Your Committee on Conference encourages access of the freed general funds by the Aerospace program for expansion of its programs.

Modernizing Hawaii's harbors will play an important role in reviving the struggling economy. Your Committee on Conference finds that Aloha Tower Development Corporation is unable to carry-out its function and effectively lead the Harbors Modernization Plan; consequently, your Committee on Conference assigned the responsibility of improving harbors to the more capable and appropriate Department of Transportation, Harbors Division.

#### Budget and Finance

Your Committee on Conference recognizes the importance of the Department of Budget and Finance as a provider of vital fiscal and administrative services for the State. However, it notes the combination of the Governor's hiring freeze and budget restrictions have left the department unable to perform its duties efficiently within the Hawaii Employer-Union Health Benefits Trust Fund Division.

In addition, furloughs have caused the division to pay out hundreds of hours in overtime a month just to stay afloat. Most other divisions are not authorized to use overtime and remain severely backlogged and unable to function efficiently. Your Committee on Conference believes that the excessive use of overtime is unacceptable and has ensured that permanent and temporary positions were added to EUTF to assist with their current and future shortfall.

#### Accounting and General Services

Programs within the Department of Accounting and General Services were among those severely affected by the RIF imposed by the Governor. The Information Processing and Computer Services Division (ICSD) and Central Services – Custodial Services are two programs that experienced substantial reductions. Though assured the impacts do not significantly affect core services, your Committee on Conference raised concerns over the department's ability to function at an acceptable level and thus restored 29.5 positions that the Governor abolished.

Additionally, your Committee is concerned that a potential \$2 million or more shortfall exists for electricity costs. This is a matter of continual concern since the department has historically been unable to budget appropriate amounts for this expenditure.

#### Attorney General

Your Committee on Conference understands the importance of legal counsel for the State of Hawaii. Calculative efforts have been made to reduce the department's budget in areas of limited impact. Your Committee on Conference reduced positions amounting to \$308,896 in the Legal Services division of the department. However, your Committee on Conference recognizes that there are areas of need. As such, your Committee on Conference restored vital positions in all three programs as well as funding in the State Criminal Justice Identification and Child Support Enforcement Programs.

Your Committee on Conference recognizes the value of programs such as the Career Criminal and Victim Witness Protection programs; however, the State can no longer subsidize county programs to the extent it once could. As such, the state subsidy to these county programs was reduced by \$317,032.

#### Defense

Your Committee on Conference recognizes the importance of maximizing the use of federal funds during these times of financial strain. Your Committee on Conference has restored federally funded positions reduced by the Governor and approved an increase of over \$12 million in federal funds, which will stimulate Hawaii's economy with new jobs and increased spending.

Your Committee on Conference also recognizes the importance of state-supported veteran services and has thus provided funding to establish financial, counseling, and cemetery staff positions.

#### Human Resources Development

The Department of Human Resources Development is responsible for unemployment payments for most state agencies. Your Committee on Conference provided \$6 million requested by the Governor for unemployment insurance benefits related to the RIF of state employees.

#### Labor and Industrial Relations

Your Committee on Conference is supportive of the Department of Labor and Industrial Relations' continued involvement in improving job opportunities, providing work placement, and protecting the employment rights of state workers. Your Committee on Conference focused intently on creating savings in areas that could absorb reductions while restoring areas that were in need.

Your Committee on Conference saved \$700,000 in general funds in the Office of Community Services, which will still be able to function and maintain employment service programs of various community organizations. Your Committee on Conference restored positions and \$4.2 million in federal funds for the Workforce Development Program. This program provides a valuable resource to both potential employees and prospective employers. Federal funds for the positions were recently secured in December 2009. Your Committee on Conference also restored 12 positions and funds for the Hawaii Occupational Safety and Health Program to help ensure safe workplaces and to better protect our workers.

Your Committee on Conference also restored positions and funding in the Hawaii Civil Rights Commission Program, the Workforce Development Council, Unemployment Insurance Program, the Employment Security Appeals Referees' Office, Data Gathering, the Disability Compensation Program, and the Office of Language Access.

#### Land and Natural Resources

Your Committee on Conference recognizes the importance of managing and maintaining Hawaii's unique and limited natural resources for both residents and visitors. However, it notes the Governor's budget cuts have left the department struggling to perform some of its core duties efficiently in several programs such as the Historic Preservation Division.

The recent economic downturn has especially hurt the department because of its heavy reliance on leasing and geothermal revenues, which are closely tied to the economy. However, your Committee on Conference does see signs of economic recovery on the horizon and thus has restored key positions originally cut by the Governor, which can be funded in better economic times.

#### Consumer Affairs

Your Committee on Conference provided a \$4 million special fund ceiling increase to support the matching requirement for an ARRA grant that will be awarded to promote Broadband Technology at the University of Hawaii. This project will install fiber optic connectivity for 302 public schools, 51 public libraries, and seven community colleges.

Further, your Committee on Conference notes that the department relies on special funds for its operations. However, as the department prides itself on being self-sufficient, your Committee on Conference expects the department, to the extent possible, to fully reimburse state agencies providing the department services through the use of general funds.

#### Taxation

Your Committee on Conference recognizes the need to prioritize revenue generating positions to aid in the fair and uniform application of taxes in Hawaii. The logic behind the Governor's decision to reduce positions in this department is unclear; therefore, your Committee on Conference restored seven positions that have the potential to collect \$3 million in the first year.

#### Transportation

Managing the State's public airports, commercial harbors, and highways is of great importance to supporting commerce. Your Committee on Conference is concerned with the Aloha Tower Development Corporation's (ATDC) ability to effectively lead the Harbors Modernization Plan. Accordingly, your Committee on Conference denied the Governor's appropriation to ATDC and welcomes the participation of the Harbors Division in managing the Harbors Modernization Plan.

Additionally, your Committee on Conference was concerned about the department's ability to effectively function after suffering substantial vacancy reductions. Thus, your Committee on Conference restored most of the positions and funds that the Governor abolished.

### **VI. CAPITAL IMPROVEMENTS PROGRAM**

Your Committee on Conference finds that in a struggling economy, the State must endeavor to practice fiscal responsibility through not only the reduction of expenditures, but also proper investment to avoid escalated costs in the future. At the same time, however, your Committee on Conference believes that capital investments will result in long-term economic efficiency and competitiveness, while contributing to the improvement in our roads, schools, and other state facilities and programs that are relied upon by our residents. In addition, such state-driven development leads to job preservation and creation, which is a prime objective of the Committee.

Your Committee on Conference finds that the Administration's capital improvements program (CIP) supplemental biennium budget, as amended pursuant to Governor's Messages, included reductions of \$30.4 million in fiscal year 2010 as well as an additional \$39.754 million in proposed lapses, resulting in a negative general obligation (G.O.) bond supplemental budget request of \$23.856 million. This budget signifies a retreat from the Administration's more aggressive approach of one year ago, including its five-point plan, CIP Strike Force, consisting of \$1.8 billion in capital improvement projects. Although the Administration's current approach demonstrates a curbing on spending, given decreased revenues, it also frustrates earlier efforts by the federal government, the



Legislature, and even the Administration itself to create jobs, increase the disposal income of consumers, and, in turn, stimulate the economy.

While mindful of the burden of increased debt service at a time when revenues are down, your Committee on Conference still believes that it is crucial to continue to undertake projects to help stimulate the economy. Additionally, your Committee on Conference believes that the State should continue to take advantage of available incentives and programs, as well as the favorable market conditions the State has recently experienced in selling bonds to secure financing for these necessary projects. In February 2010, the State was able to successfully issue a larger than initially anticipated amount of new bonds and refinanced old general obligation bonds utilizing the Build America Bonds (BABs) program. The BABs program was established under the American Recovery and Reinvestment Act of 2009 and is intended to assist state and local governments in financing capital projects at lower borrowing costs, through the provision of a direct federal subsidy for interest costs, and to stimulate the economy and create jobs. This is in line with your Committee on Conference's main objectives. Your Committee on Conference notes that this program is currently available only through the end of calendar year 2010 and, therefore, supports and urges continued consideration of the program's utilization before its expiration.

With the previously stated objectives in mind, your Committee on Conference has carefully crafted a capital improvements program budget that provides for a total of in excess of \$1.149 billion for projects funded by G.O. bonds for the biennium and \$4.221 billion for projects funded by all means of financing. Given the current economic situation and the changing nature of priorities, this budget was designed through the critical examination of all previously appropriated G.O. bond funded projects to determine the propriety of lapsing projects in order to provide funding for more critical or necessary projects. Many projects that the Administration, departments, agencies, and even non-profit organizations have deemed unnecessary or no longer a priority were considered for lapsing. Although your Committee on Conference believes that each previously appropriated project possesses merit on its own, priorities have shifted to make it necessary to lapse and redirect funds to other worthy projects at this time.

As a result, your Committee on Conference has lapsed expiring, lower priority, or unnecessary previously appropriated projects and redirects such funds to higher priority needs as identified by the Administration, the departments, and your Committee on Conference. Through this effort, your Committee on Conference has sought to ensure projects are executed, funds are utilized, and facilities needs are addressed. Lapses include the following types of projects:

- (1) Projects identified by the Administration or departments that have been completed with excess unrequired balances;
- (2) Projects where allotments requests made by departments have been denied, indicating that funds will likely not be released prior to the upcoming June 30, 2010 lapse date, including projects identified by the Department of Education that will not be pursued, mainly due to the fact that the department has received insufficient allotments from the Administration to complete such projects; and
- (3) Projects that no longer represent current Administration, department, or legislative priorities.

Your Committee on Conference has focused on the following areas in this budget:

- (1) Investment in new construction;
- (2) Reduction of repair and maintenance backlogs for state facilities throughout several departments;
- (3) Addressing critical health, safety, and other code requirements of various departments;
- (4) Creating or saving jobs for our residents; and
- (5) Providing the framework for growth and expansion of essential services, programs, and facilities.

Given the massive destruction and suffering resulting from recent earthquakes in Haiti and Chile, as well as the potentially damaging results from the recent tsunami warning experienced in our State, your Committee on Conference believes that this supplemental budget also reflects an appreciation for the need to invest in preventative measures to improve emergency efforts and thwart possible damage and destruction in the State.

As previously mentioned, many prior appropriated projects that are scheduled to lapse on June 30, 2010, which the Department of Education has indicated it will not be pursuing, are lapsed early under this budget. However, your Committee on Conference remains steadfastly committed to improving and maintaining our public school facilities, and, as a result, has redirected those lapsed funds back to the Department of Education to invest in necessary infrastructure for our schools. Your Committee on Conference believes that crucial and critical repairs must be made to ensure safe and adequate facilities are provided to our students and to ensure against state liability. The inclusion of \$30 million for repair and maintenance projects for fiscal year 2011 and \$15 million for electrical upgrades at schools statewide, as well as a total of \$144.07 million for all fiscal year 2011 projects for the department, demonstrates an important investment in our schools and our students. Your Committee on Conference believes that the continued investment in reducing the repair and maintenance backlog will assist the department in reaching a point of maintenance within approximately the next four years. This accomplishment will further enable the department to look forward to constructing necessary new school facilities and concentrate on other capital priorities as well.

Similarly, your Committee on Conference maintains its commitment to reducing and eventually eliminating the backlog of repair and maintenance needs within the University of Hawaii system. Crucial repairs must be addressed to ensure the safety of our University students, faculty, and visitors, as well as to allow the University to move forward with new construction initiatives and upgrades for facilities throughout the system. After close examination of the current capital renewal and deferred maintenance (CRDM) backlog, your Committee on Conference has provided the following:

- (1) \$64.285 million for capital renewal and deferred maintenance projects throughout the University of Hawaii System, which includes \$2 million for CIP projects at community college campuses;



- (2) \$20 million for the University's Renovate to Innovate initiative, which not only addresses some of the current CRDM backlog, but also focuses on research facilities to help ensure increased funds from federal grants and other related funding; and
- (3) \$18.625 million for health, safety and code requirements to provide for safe and compliant facilities for students, faculty and staff, and visitors.

Your Committee on Conference has also provided necessary funding for campus development at the University of Hawaii at West Oahu (\$48 million) and for the construction of a new College of Hawaiian Language building at the University of Hawaii at Hilo (\$28 million). Such funding will assist the University system in expanding and continuing to flourish as a premier academic institution.

Additionally, your Committee has provided critical funding for the following:

- (1) An additional \$3 million in fiscal year 2011 to ensure completion of roof repairs at Aloha Stadium, as well as \$2 million in fiscal year 2011 for turf replacement at Aloha Stadium to help provide safe conditions for spectators, players, participants, and workers and to allow the facility to maintain and attract sports and other entertainment events, including the NFL Pro Bowl;
- (2) \$5 million in fiscal year 2011 for repair and maintenance needs for Hawaii Health Systems Corporation facilities, in addition to funding for critical hospital-specific projects;
- (3) \$5.4 million in fiscal year 2011 for repairs, upgrades, and expansion of critical communications backbone systems to help establish and maintain uninterrupted communication lines, particularly for emergency first responders;
- (4) \$500,000 in fiscal year 2011 for health, safety, and code requirements for Department of Agriculture facilities throughout the State;
- (5) Additional funds for various new projects of the Department of Transportation to ensure the provision of safe and adequate roads and airport and harbor facilities; and
- (6) Additional funds for current projects within the Department of Transportation, Department of Defense, and Department of Health to ensure that matching federal fund contributions are maximized and not lost or forfeited.

Accordingly, your Committee on Conference believes that this supplemental capital improvements program budget addresses the highest priorities of the State, while also reflecting an important balance between increased investment and fiscal responsibility.

#### VII. Conclusion

All indications are that the long awaited economic recovery is underway. This is fortunate, since the Governor's budget relies heavily upon a number of temporary measures to address the current fiscal crisis. Although your Committee on Conference reflected much of the savings that result from the Governor's actions, it prioritized those functions of government most needed by Hawaii's residents.

While the House of Representatives and the Senate approached important budgetary issues from perspectives that differ significantly from each other and that of the Governor, a collaborative effort has resulted in the development of a budget that will move the State through this difficult time. Your Committee on Conference believes it has found reasonable solutions to the problems that confront us.

In total, this measure appropriates \$4,943,348,231 in general funds and \$10,241,967,263 in all means of financing for the fiscal year 2011 operating budget. These figures represent reductions to Act 162, Session Laws of Hawaii 2009, appropriations of \$324,300,460 in general funds and \$225,362,710 in all means of financing for fiscal year 2011.

As affirmed by the record of votes of the managers 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. 2200, 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. 2200, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Chun Oakland, English, Fukunaga, Galuteria, Hee, Hooser, Kidani, Kokubun, Tokuda, Tsutsui, Hemmings.

Managers on the part of the Senate.

Ayes, 9. Noes, none. Excused, 3 (Hee, Hooser, Hemmings).

Representatives M. Oshiro, Aquino, Awana, Brower, Choy, Coffman, Har, Keith-Agaran, C. Lee, M. Lee, Nishimoto, Sagum, Tokioka, Wooley, Yamashita, Finnegan, Ward.

Managers on the part of the House.

Ayes, 17; Ayes with Reservations (Finnegan, Ward). Noes, none. Excused, none.

#### Conf. Com. Rep. 152-10 on H.B. No. 2698

The purpose of this bill is to increase access to high-speed broadband communications for all households, businesses, and organizations throughout Hawaii by, among other things:

- (1) Requiring the Director of the Department of Commerce and Consumer Affairs (DCCA), in conjunction with the expansion of digital cable programming and services, to promote telework and affordable and accessible broadband services in Hawaii;
- (2) Authorizing the DCCA Director to employ assistants necessary for these activities without regard to chapter 76;
- (3) Establishing the Telework Promotion and Broadband Assistance Advisory Council (Council) to promote telework alternatives and broadband development in Hawaii;

- (4) Requiring the administrator of DCCA's Cable Television Division to establish a work group to develop streamlined permitting procedures for broadband services development; and
- (5) Requiring DCCA to report annually to the Legislature on the receipt and expenditure of federal funds for broadband facilities, services, or equipment for broadband related projects.

Your Committee on Conference finds that high-speed broadband is critical infrastructure for advancing every aspect of our society, and is a key element in our recovery from the current recession. This bill seeks to make statewide access to affordable high-speed broadband a reality in Hawaii by implementing the recommendations of the Hawaii Broadband Task Force established by Act 2, First Special Session Laws of Hawaii 2007.

Your Committee on Conference has amended this bill by:

- (1) Providing that the DCCA Director is to facilitate development and deployment of broadband services, instead of digital cable programming and applications, programs, and services;
- (2) Requiring the DCCA Director to promote, advocate, and facilitate implementation of the findings and recommendations of the Hawaii Broadband Task Force;
- (3) Providing that the Council be composed of 13 instead of 14 members, to be equally appointed by the President of the Senate and Speaker of the House of Representatives, instead of the Governor;
- (4) Appropriating \$500,000 from the Compliance Resolution Fund for fiscal year 2010-2011 to fund DCCA's telework and broadband activities;
- (5) Changing the effective date to July 1, 2010; 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. 2698, 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. 2698, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Kim, Ige, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives McKelvey, Wakai, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 153-10 on S.B. No. 2849**

The purpose of this measure is to improve the efficiency and accountability of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by among other things:

- (1) Exempting the procurement of carriers, administrators, consultants, actuaries, and auditors from the Procurement Code;
- (2) Imposing fiduciary duties, restrictions, and liabilities on fiduciaries of the EUTF;
- (3) Enabling the Board of Trustees of the EUTF (Board) to access attorneys with specific experience in highly technical legal field and independent of the Attorney General;
- (4) Changing the number of trustees on the Board from ten to twelve, how they are appointed, their terms of office, and quorum and voting requirements;
- (5) Transferring jurisdiction over the EUTF from the Department of Budget and Finance to the Department of Human Resources Development;
- (6) Requiring the Director of Human Resources Development to report to the Legislature prior to the Regular Sessions of 2013 and 2015 on the cost effectiveness of the amendments made pursuant to this measure; and
- (7) Stipulating that the arbitration panel shall render a final and binding decision on state and county contributions to the EUTF.

Your Committee on Conference finds that in providing for the effective operation of the EUTF in paying for trust fund benefits it is essential that all funds appropriated to the EUTF by the Legislature are paid directly to the EUTF and not be subject to the allotment procedures under chapter 37, Hawaii Revised Statutes, or subject to the powers granted to the Governor and Director of Finance under sections 37-32 through 37-41, Hawaii Revised Statutes. Your Committee on Conference also finds that providing each trustee of the EUTF with a vote will promote more efficiency and fairness in deciding Board actions. Your Committee on Conference further finds that it is imperative that any sums contributed or paid to the EUTF remain within the EUTF for the exclusive use and benefit of employee-beneficiaries and dependent-beneficiaries.

Your Committee on Conference has amended this measure by replacing its contents with a new part in chapter 37, Hawaii Revised Statutes, and two amendments to chapter 87A, Hawaii Revised Statutes.

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

- (1) Creating a restriction in chapter 37, Hawaii Revised Statutes, that requires all appropriations made to the EUTF by the Legislature be transferred directly to the EUTF and not be subject to the allotment procedures under chapter 37, Hawaii Revised Statutes, or subject to the powers granted to the Governor and the Director of Finance under sections 37-32 through 37-41, Hawaii Revised Statutes;
- (2) Changing the voting requirements to transact Board business from one vote for all public employer trustees and one vote for all employee-beneficiaries trustees to one vote for each individual trustee; and
- (3) Clarifying under section 87A-30, Hawaii Revised Statutes, that all sums contributed or paid to the EUTF shall be for the exclusive use and benefit of the EUTF employee-beneficiaries and dependent-beneficiaries and shall not be subject to appropriation or transfer for any other purpose.

As affirmed by the record of votes of the managers 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. 2849, 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. 2849, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Taniguchi, Kim, Kokubun.

Managers on the part of the Senate.

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

Representatives M. Oshiro, Rhoads, Yamashita.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 154-10 on H.B. No. 1015**

The purpose of this bill is to establish a two-year pilot project to enable the Department of Hawaiian Home Lands (DHHL) to begin housing projects without having the full cost of the projects on hand at the start of the housing project, by authorizing DHHL to incur obligations in excess of the moneys in the DHHL trust fund subject to certain conditions.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the provisions authorizing DHHL to incur obligations in excess of the moneys in the fund applies to any trust fund established under the Hawaiian Homes Commission Act, 1920, as amended;
- (2) Providing that no suit for damages may be brought against the State or its agencies and officers, for allowing or refusing to allow expenditures in excess of moneys in the trust fund;
- (3) Directing DHHL to establish a process for consulting with beneficiaries prior to awarding leases for commercial and multipurpose projects;
- (4) Authorizing one-time extensions of commercial and multipurpose project leases of up to 20 years to make improvements to the property;
- (5) Setting aside 15 percent of all lease revenues from extensions of commercial and multipurpose project leases to be deposited into the Native Hawaiian Rehabilitation Trust Fund under section 213(i) of the Hawaiian Homes Commission Act, 1920, as amended (HHCA), to be used for the benefit of native Hawaiian beneficiaries, beneficiary-controlled organizations, and homestead community associations;
- (6) Establishing reporting requirements regarding leases of Hawaiian Home Lands for commercial and multipurpose projects;
- (7) Establishing reporting requirements regarding the expenditures of the Native Hawaiian Rehabilitation Trust Fund that are derived from the amounts deposited from the commercial and multipurpose project lease extensions;
- (8) Directing all lease revenues from commercial and multipurpose project leases to which the provisions of this bill applies, besides those revenues to be deposited into the Native Hawaiian Rehabilitation Fund, to be deposited into the Hawaiian Home Lands Trust Fund established under section 213.6, HHCA;
- (9) Changing the effective date to July 1, 2010; and
- (10) Making technical, nonsubstantive amendments for style, clarity, and consistency, including updating the report and repeal dates for the provisions authorizing DHHL to incur obligations in excess of the moneys in its trust funds.

Your Committee on Conference finds that the Legislature should have an opportunity to evaluate the funds deposited into the Native Hawaiian Rehabilitation Fund under this bill, including how the moneys are being expended. Accordingly, it is the intent of your Committee on Conference that the Legislature examine these issues through a resolution at the appropriate time to determine whether any changes should be made to the provisions requiring DHHL to deposit 15 percent of all revenues generated from these leases from the time lease extensions are granted, into the Native Hawaiian Rehabilitation Fund.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1015, 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. 1015, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Sakamoto, Fukunaga, Hemmings.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Carroll, Ito, M. Oshiro, Har, Ward.  
Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 155-10 on H.B. No. 2377**

The purpose of this bill is to improve the accountability of Hawaii's public education system by requiring the members of the Board of Education (BOE) to be nominated and, with the advice and consent of the Senate, appointed by the Governor from pools of qualified candidates presented to the Governor by the Board of Education Candidate Nomination Commission.

Upon further consideration, your Committee on Conference has amended this bill by adopting the language of S.B. No. 2571, S.D. 2, H.D. 2. Your Committee on Conference has further amended this bill by, among other things:

- (1) Changing the number of BOE members to 10, of whom nine are voting members who shall represent and reside in certain geographic areas, including six members from the City and County of Honolulu;
- (2) Changing the term of each member to three years, except in the case of the members who are initially appointed to BOE, whose terms shall be changed as follows:
  - (A) Three members shall serve one-year terms;
  - (B) Three members shall serve two-year terms; and
  - (C) Three members, including the BOE Chairperson, shall serve three-year terms;
- (3) Limiting members to serving no more than two consecutive three-year terms;
- (4) Clarifying that if the Senate is not in session after a member's reappointment and prior to the 120-day deadline by which the Senate shall have considered the question of the member's reconfirmation, the member shall continue to serve until the Senate takes final action on the reconfirmation when it convenes for the next regular session or the next special session during which the Senate is authorized to consider the question of reconfirmation;
- (5) Requiring the BOE Chairperson to be selected from amongst BOE's voting members;
- (6) Clarifying that at any time BOE has fewer than six voting members, the concurrence of three voting members is necessary to make any BOE action valid;
- (7) Clarifying that for the first and subsequent presentations of a list of qualified candidates to the Governor, the BOE Selection Advisory Council (Council) shall present a list of qualified candidates to the Governor for each vacant BOE seat as provided by law, with no fewer than two and no more than four qualified candidates for each seat;
- (8) Requiring the Council to present a list of qualified candidates to the Governor within 150 days prior to the expiration of a BOE member's term;
- (9) Deleting the requirement that the Council set appropriate minimum and maximum numbers of candidates to present to the Governor when there are more than three vacant BOE seats;
- (10) Clarifying that the members initially appointed to BOE shall not serve until five voting members are appointed and the elected BOE members are discharged from office;
- (11) Changing the membership of the Council as follows:
  - (A) Removing the parent appointed by the Hawaii State Parent Teacher Student Association;
  - (B) Removing the current public school teacher appointed by the Hawaii State Teachers Association;
  - (C) Removing the current public school student appointed by the Hawaii State Student Council;
  - (D) Removing the member appointed by the Hawaii Business Roundtable; and
  - (E) Including four members appointed by the Hawaii P-20 Council, of which two members shall be parents one of whom shall be a currently-serving school community council parent representative, one member shall be from the business or nonprofit community, and one member shall be an educator;
- (12) Disallowing individuals who are or have served as members of the Hawaii P-20 Council within the last two years immediately preceding the establishment of or a vacancy on the BOE Selection Advisory Council from being eligible to serve as members of the BOE Selection Advisory Council;
- (13) Limiting Council members to serving no more than two consecutive four-year terms;
- (14) Clarifying that Council members shall be entitled to reimbursement for expenses necessary for the performance of their duties;
- (15) Clarifying that the elected BOE members serving on the day of the enactment of the bill shall continue to serve until the appointment of five voting interim BOE members, at which time the elected members are discharged from office;
- (16) Specifying that any vacancy occurring between the enactment of the bill and the discharge from office of all the elected BOE members, shall not be filled;
- (17) Clarifying that all employees serving BOE on the day of the enactment of the bill shall continue to be exempt employees of the Department of Education;

- (18) Changing the effective date to upon ratification of the constitutional amendments requiring BOE members to be appointed; provided that Part III of the bill shall take effect when the elected BOE members are discharged from office; and
- (19) 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. 2377, 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. 2377, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kim, Galuteria.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Takumi, Karamatsu, M. Oshiro, Berg, M. Lee, Nakashima, Ching.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. 156-10 on S.B. No. 2589**

The purpose of this measure is to require the Department of Education to give reasonable consideration to making available all or portions of school facilities to charter schools when it considers whether to close a public school.

Your Committee on Conference finds that Hawaii's charter schools have made significant advances while facing unique challenges, such as a lack of facilities and high facilities rental costs. This measure is cost-effective and presents charter schools with an opportunity to make use of buildings or facilities that are unused or underutilized by the Department of Education.

Your Committee on Conference finds that this measure should be further amended to provide for situations in which a charter school exclusively or jointly occupies or uses buildings or facilities of a public school immediately prior to converting to a charter school. Your Committee on Conference also finds that the growth of the charter school system has prompted a need for greater accountability by charter schools and more efficient management and administration of the system.

In accordance with these findings, your Committee on Conference has amended this measure by:

- (1) Inserting language to direct the Department of Education to give preference to instructional uses over administrative uses if it elects to use the facilities of a closing public school, rather than making it available for use by a charter school;
- (2) Requiring the Department of Education to submit a notice of vacancy to the Charter School Review Panel no later than thirty days after the establishment of the vacancy;
- (3) Upon the selection of a charter school to use a vacant school facility or portion of a school facility, requiring the Department of Education and the Charter School Review Panel to enter into necessary agreements within ninety days of the selection;
- (4) Inserting language to provide that if a charter school exclusively or jointly occupies or uses buildings or facilities of a public school immediately prior to converting to a charter school, upon conversion that charter school shall be given continued exclusive or joint use of the buildings or facilities, with certain exceptions;
- (5) Adding the following additional powers and duties to the Charter School Review Panel:
  - (A) Adopting a clear process and rigorous organizational and educational criteria, including student achievement as a significant factor, for the authorization and reauthorization of school charters;
  - (B) Evaluating each school charter, for the purpose of determining reauthorization, no later than four years following the initial issue of a charter and every six years thereafter; and
  - (C) Evaluating and investigating charter schools when concerns arise that necessitate the resolution or assistance with the resolution of legal, fiscal, health, safety, and other serious issues;
- (6) Allowing the Charter School Review Panel to authorize up to three new start-up charter schools for each existing accredited start-up charter school and one new start-up charter school for each start-up charter school whose charter is revoked or that voluntarily closes;
- (7) Requiring the Charter School Administrative Office to withhold not more than two per cent of the annual general fund allocation for its operational expenses, including salaries for its staff and Executive Director;
- (8) Requiring the Charter School Administrative Office to report annually to the Charter School Review Panel individual and aggregate expenditures of charter schools, clearly distinguishing between expenditures for operational and instructional purposes;
- (9) Clarifying the requirements of the general fund per-pupil request for each regular education and special education student, to align that statutory provision with the Administration's practice of excluding adult education and the After-School Plus program from the per-pupil calculation;
- (10) Making changes to charter school funding, including changes to the distribution of funds for charter schools, reporting requirements for enrollment estimates and actual enrollment counts, and the creation of the charter schools account as a separate account in the state treasury, to further encourage fairness in funding and the availability of resources to charter schools;

- (11) Revising the purpose section to reflect the changes in the measure;
- (12) Changing the effective date from July 1, 2050, to July 1, 2010; and
- (13) 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. 2589, 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. 2589, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kim, Chun Oakland, Kidani, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

Representatives Takumi, M. Oshiro, Nakashima, Yamashita, Finnegan.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. 157-10 on S.B. No. 2124**

The purpose of this bill is to ensure that Hawaii's students receive the education they deserve by restoring public school instructional days in the 2009-2010 and 2010-2011 school years that would otherwise be lost to furloughs pursuant to a collective bargaining agreement with the Hawaii State Teachers Association (HSTA). Specifically, this bill appropriates funds out of the Hawaii Hurricane Relief Fund (HHRF) to the public schools, including charter schools; provided that the funds shall only be released upon completion of all negotiations of the parties necessary to execute the restoration of instructional days pursuant to the collective bargaining process.

Your Committee on Conference has amended this bill by:

- (1) Deleting the appropriation out of HHRF to restore instructional days in the 2009-2010 school year that would otherwise be lost to furloughs;
- (2) Specifying that \$67,000,000 shall be appropriated out of HHRF to restore instructional days in the 2010-2011 school year that would otherwise be lost to furloughs;
- (3) Deleting the specification that a certain amount of these funds be allocated to charter schools and other public schools;
- (4) Removing the Charter School Administrative Office as an expending agency for the appropriation;
- (5) Specifying that the moneys appropriated in this bill shall only be expended for the purpose of restoring public school instructional days for the 2010-2011 school year and shall not be transferred or used for any other purpose; 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 S.B. No. 2124, 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. 2124, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Baker, Kim, Kokubun, Tsutsui.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, none.

Representatives Takumi, Rhoads, Herkes, M. Oshiro, Nakashima, Finnegan.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 158-10 on S.B. No. 2469**

The purpose of this measure is to appropriate moneys from the emergency and budget reserve fund of the State of Hawaii to maintain levels of programs determined to be essential to education, public health and public welfare.

Your Committee on Conference finds that in 1999, the Legislature established the emergency and budget reserve fund as a temporary supplemental source of funding for the State of Hawaii in times of emergency, economic downturn, or unforeseen reduction in revenues. As set forth in section 328L-3, Hawaii Revised Statutes, specific purposes for the fund include the maintaining of levels of programs determined to be essential to public health, safety, welfare, and education. Specifically prohibited from appropriation allowances is funding items in collective bargaining contracts.

Your Committee also finds that difficult economic times and declining tax revenues have resulted in budget cuts for all state services, and that some of the most vulnerable and needy members of the community will be the hardest hit by the reduction in services. Your Committee further finds that funding of certain programs and entities such as community centers, domestic violence shelters, the Shelter Plus program and housing placement services allows members of the community to continue working as opposed to being forced to quit their jobs due to economic downturn or personal difficulties. Funding programs such as respite services, the Kupuna Care Program, Volunteer Legal Services Hawaii, the Legal Aid Society of Hawaii, the Hawaii Family Law Clinic and the employment core services of the Office of Community Services promotes the hiring or retention of current staff positions, all of which in turn keeps our citizens working and fosters a stronger economy.



Your Committee has amended this measure by appropriating the following:

(1) Respite Services	\$200,000
(2) Healthy Start Program	\$1,500,000
(3) Senior Centers	
Catholic Charities Hawaii	\$350,000
Kapahulu Center	\$300,000
Moiili Community Center	\$150,000
Waikiki Community Center	\$150,000
(4) Kupuna Care Program	\$3,000,000
(5) Aging and Disability Resource Center	\$100,000
(6) Developmental Disabilities Medicaid Waiver Program	\$1,500,000
(7) Mental Health Services	\$1,500,000
(8) Partnerships in Community Living Program	\$150,000
(9) Substance Abuse Treatment	\$1,400,000
(10) Healthy Aging Partnerships Program	\$125,000
(11) Waianae District Comprehensive Health and Hospital Board, Incorporated	\$332,000
(12) HIV/AIDS related services	\$270,000
(13) Housing First pilot program	\$1,000,000
(14) Meals for the elderly for Kupuna Care	\$500,000
(15) Kokua Kalihi Valley Comprehensive Family Services	\$500,000
(16) HMSA's Keiki Care	\$600,000
(17) Windward Oahu Spouse Abuse Shelter	\$200,000
(18) Blueprint for Change for Neighborhood Place Walk-in Centers	\$200,000
(19) Hawaii Immigrant Health Initiative Program	\$550,000
(20) Statewide domestic violence shelters	\$762,500
(21) Hale Mahaolu for personal care services	\$210,000
(22) Shelter Plus Care Program	\$200,000
(23) Adult Dental Care	\$2,000,000
(24) Outstationed eligibility worker services	\$100,000
(25) Outreach services	\$80,000
(26) Outreach services to locate uninsured children	\$44,636
(27) Child care subsidies	\$800,000
(28) General Assistance Program	\$1,000,000
(29) Adult Friends for Youth	\$200,000
(30) Domestic Violence Shelters	\$1,000,000
(31) Volunteer Legal Services Hawaii	\$200,000
(32) Legal Aid Society of Hawaii	\$720,000
(33) Hawaii Family Law Clinic	\$282,000
(34) Catholic Charities Hawaii for intra-familial sex assault services	\$150,000
(35) Children's Alliance of Hawaii, Inc.	\$150,000
(36) Office of Community Services for	

employment core services	\$400,000
(37) YMCA of Honolulu for Weed and Seed Program	\$75,000
(38) Kapiolani Medical Center for Women and Children for the Sex Abuse Treatment Center	\$466,000
(39) Families for R.E.A.L.	\$300,000

Your Committee has also amended this measure by deleting the fee provision attached to the QUEST adult dental appropriation, clarifying the legal names of entities, and making technical, nonsubstantive stylistic changes for purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2469, 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. 2469, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, Taniguchi, Kim, Ihara.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Ihara).

Representatives Mizuno, Yamane, M. Oshiro, M. Lee, Shimabukuro, Ward.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, 1 (Shimabukuro).

**Conf. Com. Rep. 159-10 on H.B. No. 2774**

The purpose of this bill is to help maintain the level of services in programs administered by the Department of Human Services (DHS) by, among other things:

- (1) Requiring DHS to include certain provisions regarding co-payments, prescription drug formularies, and medical necessity coverage in all contracts with managed-care organizations for the provision of Medicaid benefits under the QUEST program;
- (2) Specifying requirements for the provision of psychotropic medication to patients covered under the QUEST, QUEST Expanded Access, and certain fee-for-service programs administered by DHS;
- (3) Allowing DHS to issue death benefits in an amount equal to the Social Security Administration's lump-sum death benefit for qualifying individuals; and
- (4) Prohibiting DHS from expending funds appropriated for Medicaid on any programs not specifically related to Medicaid or not authorized by the Legislature.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provisions that require DHS to include certain provisions regarding co-payments, prescription drug formularies, and medical necessity coverage in all contracts with managed-care organizations for the provision of Medicaid benefits under the QUEST program;
- (2) Prohibiting DHS from imposing any restriction or limitation on the coverage for, or a recipient's access to anti-anxiety medication with specified exceptions;
- (3) Requiring prior authorization by the contracted health plan rather than the prescriber for coverage of a brand-name antidepressant or anti-anxiety medication if the individual does not have two failed attempts on a generic medication;
- (4) Requiring that a supply of the prescribed antidepressant or anti-anxiety medication sufficient to last until a prior authorization request is resolved be covered, rather than a three-day supply;
- (5) Specifying that a "failed attempt" refers to the prescribed generic antidepressant or anti-anxiety medication up to the maximum FDA-approved dosage;
- (6) Deleting language that stated that measures to ensure patient safety shall not constitute a restriction or limitation on the coverage for, or a recipient's access to antidepressant or anti-anxiety medication;
- (7) Authorizing DHS and its QUEST contracted health plans to investigate fraud, abuse, or misconduct;
- (8) Requiring DHS, in conjunction with health care providers, health care plans, and mental health advocates to submit a report detailing the status of the implementation of the changes to psychotropic medication regulations, including specified information, to the 2011 Legislature;
- (9) Inserting a ceiling of \$5,000,000 on funds DHS may spend on the Hawaii Premium Plus Program for nine months beginning on May 1, 2010;
- (10) Inserting a two-year sunset date of June 30, 2012;
- (11) Changing the effective date to July 1, 2010; and
- (12) 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. 2774, 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. 2774, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, (Kim for) Tsutsui, Baker, Green.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Mizuno, Yamane, M. Oshiro, Chong, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 160-10 on H.C.R. No. 297**

The purpose of this concurrent resolution is to request:

- (1) A status report on the economic impact of expanded workforce development outcomes; and
- (2) An update on the Science, Technology, Engineering, and Math (STEM), Research Experiences for Teachers – Middle School, Project Environmental and Spatial Technology (Project EAST), and robotics programs within public schools.

Your Committee on Conference finds that the STEM initiatives launched in 2007 have been highly successful, providing expanded learning opportunities for thousands of public school students throughout the state, and involving untold numbers of private sector supporters and mentors.

For example, participation in robotics has expanded dramatically in three years, from 95 programs in early 2007, to 422 programs today attracting 3,000 students in public, charter, and private schools statewide. Project EAST, which began in a handful of neighbor island public schools, has expanded to 15 schools statewide and served over 4,400 students from middle school through grade 12. Even more impressive, nearly 100 percent of Project EAST participants plan to attend college, and over 60 percent plan STEM-related majors.

Your Committee on Conference commends the agencies – both public and private – that have been instrumental in the success of these programs and believes that the reporting requested by this measure will provide the agencies and the individuals involved with an opportunity to further highlight their successes and their plans for the continued expansion of these programs.

Your Committee on Conference has amended this resolution 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 concurs with the intent and purpose of H.C.R. No. 297, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 297, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Ige, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives McKelvey, Choy, Evans, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

## STANDING COMMITTEE REPORTS

**SCRep. 2001 Transportation, International and Intergovernmental Affairs on S.B. No. 2003**

The purpose of this measure is to allow the Attorney General to contract with one or more counties for the purpose of processing and issuing state identification cards at driver licensing offices or other suitable county locations.

Your Committee received testimony in support of this measure from the City and County of Honolulu. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that state identification is vital for seniors, children, and other individuals who do not possess a driver's license or other picture identification. Currently, obtaining a state identification card (certificate of identification) is a lengthy process because processing and administration is conducted at a single location with limited hours of operation. This leads to long lines and some individuals being turned away due to daily demand. There have been recent attempts to bring state identification personnel into the community, but only for specific dates and times. In addition, the islands of Moloka'i and Lana'i do not have county equivalents of a city hall as in Honolulu that can be used to issue state identification cards.

This measure addresses the foregoing concerns by enabling the Attorney General to contract for the use of county facilities and to train and supervise county employees to improve public access to state identification services.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2003 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2002 Transportation, International and Intergovernmental Affairs on S.B. No. 2174**

The purpose of this measure is to include county representation on the membership of the Board of Trustees of the Employees' Retirement System.

Your Committee received testimony in support of this measure from the Hawaii Council of Mayors, Hawai'i State Association of Counties, and Hawaii Government Employees Association. Comments were received from the Administrator of the Employees' Retirement System which had no position on this measure at this time. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the counties contribute a considerable share to retirement system costs, and their employees and retirees are a significant portion of the System's membership. As such, your Committee believes that it is appropriate to include county representation on the Employee's Retirement System Board of Trustees. County representation will ensure that the Board possesses expertise about county finances and the county workforce in making benefit decisions. Lack of representation may result in a situation where Board members do not fully consider the impact of their actions on the counties, resulting in changes that may not be cost beneficial in the aggregate or may affect the retirement income of county employees and retirees.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2174 and recommends that it pass Second Reading and be referred to the Committee on Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 2003 Transportation, International and Intergovernmental Affairs on S.B. No. 2142**

The purpose of this measure is to allow an applicant for a state identification card to present an official Matricula Consular Identification card issued under the authority of the country of Argentina to fulfill the information requirements for obtaining the state identification card.

The State Attorney General orally testified in opposition to this measure.

A Matricula Consular Identification card is the official identification card issued by Argentina. Your Committee believes that, in the interests of international comity, Hawai'i should accept the Matricula Consular Identification card issued by Argentina for limited purposes.

Your Committee has amended this measure by clarifying that a Matricula Consular Identification card issued by Argentina is acceptable as verification of name, date of birth, and place of birth when applying for a state identification card.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2142, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 2004 Transportation, International and Intergovernmental Affairs on S.B. No. 2266**

The purpose of this measure is to require the Examiner of Drivers to design and implement a system to request information on an applicant's blood type to provide holders of a Hawaii drivers license with the opportunity to have blood type information included on their driver's license.

Your Committee received testimony in opposition to this measure from the City and County of Honolulu. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Time is of the essence when emergency medical staff are treating injuries of accident victims. Your Committee finds that one way to save valuable time is to ensure that a person's blood type is known to rescuers and medical personnel as soon as possible. Typing and cross matching blood ensures a safe match, but takes time and effort that may not be available in an active life saving situation. Providing quick access to blood type information will help to ensure the delivery of swift and effective aid.

Your Committee is aware of the need to prevent the chances of mistaken blood designations on driver's licenses. In designing the system for providing blood types on driver's licenses, the Examiner of Drivers must fully address this concern. Your Committee finds in this regard that the Examiner of Drivers has sufficient latitude to implement the necessary safeguards and procedures to ensure that the benefits of this measure are realized without compromising the safety of the public.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2266 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. 2005 Transportation, International and Intergovernmental Affairs on S.B. No. 2179**

The purpose of this measure is to authorize the appointment and removal of the Liquor Administrator as prescribed by the charter of each county or by the Liquor Control Adjudication Board, in addition to the county Liquor Commission.

Your Committee received testimony in support of this measure from the Hawaii Council of Mayors. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under Article VIII, section 2 of the Hawaii Constitution, the counties were granted the power to frame and adopt a charter for their own self-government within the limits and procedures provided by general law. Consistent with that authority, this measure will enable the counties to determine appropriate appointment and removal procedures for county Liquor Administrators pursuant to each county's charter.

Your Committee believes that the mayors should be vested with authority to remove the Liquor Administrators regardless of county charter provisions.

Your Committee has amended this measure by additionally authorizing the county mayors to remove the Liquor Administrator, and making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2179, 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. 2006 Transportation, International and Intergovernmental Affairs on S.B. No. 2175**

The purpose of this measure is to require that one public employer member on the Board of Trustees of the Employer-Union Health Benefits Trust Fund be appointed by the Hawaii Council of Mayors to represent the counties.

Your Committee received testimony in strong support of this measure from the Hawaii Council of Mayors and the Hawai'i State Association of Counties. Comments were received from the Hawaii Government Employees Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the counties should be represented on the Board of Trustees of the Employer-Union Health Benefits Trust Fund. The counties contribute a substantial amount to the Fund and the health and well-being of their employees and retirees depend on the benefit decisions made by the board of trustees. Furthermore, the county member on the Board of Trustees will be able to provide the Board with input concerning county finances, county workplaces, and other county information.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2175 and recommends that it pass Second Reading and be referred to the Committee on Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 2007 (Joint/Majority) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2053**

The purpose of this measure is to:

- (1) Increase the permit fees for the purchase and use of consumer fireworks and increase the penalty for use of illegal fireworks; and

- (2) Clarify that certain permit fees and fines collected may be used by county law enforcement personnel for purposes relating to fireworks.

Your Committees received testimony in support of this measure from two government entities, one neighborhood board, one community nonprofit organization, and four private citizens. Testimony in opposition was received from one private entity. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the expanded use of illegal fireworks has escalated to a serious public health and safety problem. The air pollution produced by consumer fireworks causes respiratory difficulties for the elderly, young children, and persons with existing respiratory ailments. An immediate reduction in illegal fireworks use is necessary to protect the health and safety of people in this State.

Testimony on this measure indicates that fireworks permit fees are not currently earmarked for any particular purpose by the counties. This measure would dedicate those revenues for the purpose of county law enforcement.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2053 and recommend that it pass Second Reading and be referred to the Committees on Judiciary and Government Operations and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7; Ayes with Reservations (Bunda). Noes, 2 (Hemmings, Slom). Excused, none.

**SCRep. 2008      Transportation, International and Intergovernmental Affairs on S.B. No. 2177**

The purpose of this measure is to authorize the counties to appoint and remove their respective police chiefs pursuant to county charter.

Your Committee received testimony in support of this measure from the Hawaii Council of Mayors. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the grant of such authority is within the purview of the counties' executive and administrative structure and organization, and is therefore supported by and consistent with the principle of county self-governance established in Article VIII, Section 2, of the Hawaii Constitution.

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

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2177, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2177, 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. 2009      Transportation, International and Intergovernmental Affairs on S.B. No. 2178**

The purpose of this measure is to provide the mayor of each county, in addition to the Merit Appeals Board, with the authority to appoint and remove that respective county's Personnel Director.

This measure also clarifies that the appointment and removal of the Personnel Director shall be as prescribed by the charter of each county.

Your Committee received testimony in support of this measure from the Hawaii Council of Mayors. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the authority granted by this measure is within the purview of the counties' executive and administrative structure and organization, and is supported by and consistent with the principle of county self-governance established in Article VIII, Section 2 of the Hawaii Constitution.

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 Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2178, 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. 2010      Transportation, International and Intergovernmental Affairs on S.B. No. 2201**

The purpose of this measure is to repeal certain obsolete deadlines concerning payment of motor vehicle taxes and motor vehicle registration fees, as well as the issuance of certificates of registration.

Your Committee received testimony in support of this measure from the City and County of Honolulu and the County of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that this is a housekeeping measure. Since the initiation of a staggered system of motor vehicle registration dates, the repealed provisions are no longer necessary.

Your Committee has amended this measure by 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 Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2201, 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 (Nishihara, Slom).

**SCRep. 2011 Human Services on S.B. No. 2289**

The purpose of this measure is to allow nursing home administrators to apply for state civil identification certificates on behalf of residents of the nursing home who cannot appear in person due to infirmity.

Testimony in support of this measure was presented by Maunalani Nursing and Rehabilitation Center. Testimony in opposition to this measure was presented by the Department of the Attorney General.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that nursing homes should work with the Attorney General to develop procedures for the electronic transmission of fingerprints and photographs. Your Committee also finds that this measure will likely be a cost saving move for both the nursing homes and the taxpayers of this State, and encourages the community to suggest other settings in which this service can be offered.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2289 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 2012 (Joint/Majority) Education and Housing and Human Services and Commerce and Consumer Protection on S.B. No. 2436**

The purpose of this measure is to appropriate Hawaii hurricane relief funds and emergency and budget reserve funds to restore as many instructional days during the 2009-2010 school year as possible.

Testimony in support of this measure was submitted by one state agency, three private organizations, and one individual. Testimony in opposition to this measure was submitted by one state agency, three private organizations, and twelve individuals. Comments were submitted by two state agencies and one private organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees recognize the concerns expressed by testifiers over the use of emergency and budget reserve funds for the restoration of instructional days. Your Committees have considered using this measure in combination with other measures being considered by the Legislature to resolve the restoration of instructional days over the remainder of the 2009-2010 school year and the entire 2010-2011 school year, and find that this measure should focus primarily on the restoration of instructional days for the 2010-2011 school year and secondarily on the restoration of remaining instructional days for the 2009-2010 school year.

Your Committees have considered information from the Department of Education regarding the cost per day of operating Hawaii's public schools and find that an appropriation of \$75,000,000 in Hawaii hurricane relief funds is appropriate. Furthermore, your Committees find it appropriate to temporarily remove the language indicating the Governor's recommendation for immediate passage of the measure, with the recommendation that this language be re-inserted prior to final reading, in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

Your Committees have amended this measure by:

- (1) Removing section 1, which indicates the Governor's recommendation for immediate passage of the measure;
- (2) Eliminating the appropriation of and references to emergency and budget reserve funds;
- (3) Specifying \$75,000,000 as the amount of Hawaii hurricane relief funds to be appropriated;
- (4) Directing the appropriation to restore as many days as possible during the 2010-2011 school year, with any remaining funds to be used to restore as many days as possible during the 2009-2010 school year; and
- (5) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2436, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2436, 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 (Hemmings). Excused, 2 (Ige, Ihara).

**SCRep. 2013 Judiciary and Government Operations on Gov. Msg. No. 119**

Recommending that the Senate consent to the nomination of the following:

INTERMEDIATE COURT OF APPEALS, STATE OF HAWAII

G.M. No. 119 LAWRENCE M. REIFURTH, for a term of ten years

Your Committee received testimony in support of Lawrence M. Reifurth from the State Attorney General; Chairperson of the Board of Land and Natural Resources; Director of Labor and Industrial Relations; Comptroller; Director of Human Resources Development; Retail Merchants of Hawaii; The Hawaii Business League; Hawaii Financial Services Association; and fifty-three individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association. Written testimony presented to your Committee may be reviewed on the Legislature's website.

The Hawaii State Bar Association found the appointee to be qualified for the position of Judge, Intermediate Court of Appeals, based upon the criteria of integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, and public service, collegiality, and writing ability.

Lawrence M. Reifurth received a Bachelor of Science degree from Marquette University cum laude, a Masters in Business Administration from the J.L. Kellogg Graduate School of Management at Northwestern University, and a Juris Doctor degree from Northwestern University, where he was a member of the law review from 1981 to 1983. Since 2007, he has been the Director of Commerce and Consumer Affairs, and for four years prior thereto, he was the Deputy Director. From 1994 to 2003, Mr. Reifurth was in private practice with the law firm of Oshima Chun Fong & Chung as a Counsel Attorney, handling matters as diverse as government contracts, public service companies, real estate development and condemnation, civil rights, and truth-in-lending and foreclosure issues. In 1994, Mr. Reifurth served as the Insurance Commissioner with the Department of Commerce and Consumer Affairs. For three years prior to that time, he worked in the Department of the Attorney General, first in the Public Utilities Unit, and then in the Education Unit. From 1985 to 1989, Mr. Reifurth was an Assistant City Attorney for the several cities in California.

Mr. Reifurth is also involved in the community, and currently serves as a trustee of the Hawai'i Employer-Union Benefits Trust Fund, as well as the Governor's representative on the Manoa Neighborhood Board. He has been extensively involved in the sport of swimming, serving as a Deck Official for the Special Olympics of Hawai'i, and a referee and the Chair of the Board of Review for the Hawaii Local Swim Committee of USA Swimming, for example.

Testimony in support of Mr. Reifurth's appointment indicates that he is highly qualified to serve as a judge. He has an outstanding reputation as an articulate, level-headed, intelligent person with high ethical standards who shows good judgment when making decisions. One testifier after another highlighted his strong analytical abilities and thoughtful handling of complex legal issues, which are especially critical traits for a judicial candidate to demonstrate. Additionally, he is also known for his diligence, even temper, and fair and deliberative manner.

Although your Committee had some initial concerns about Mr. Reifurth's lack of judicial experience, these concerns were belied by his administrative experiences, which have included both acting as a hearings officer in administrative hearings and overseeing and assisting other hearings officers in the performance of their duties. These administrative experiences have yielded similar experiences to service on the bench as a judge and have required use of a comparable skill set, in your Committee's understanding. Further, your Committee notes that Mr. Reifurth's familiarity and experience with administrative proceedings will be very valuable for the Intermediate Court of Appeals, as not an insignificant number of cases heard at the appellate level arise from administrative agency appeals. Mr. Reifurth's diverse civil background in such areas as commercial litigation, education law, employment law, regulatory law, and contract law, will also lend to a well-rounded expertise from which to draw when considering cases on appeal.

Your Committee finds that, based on the testimony submitted on his behalf, Lawrence M. Reifurth has the experience, temperament, judiciousness, and other competencies to be an Intermediate Court of Appeals judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for an Intermediate Court of Appeals judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 2014 Human Services on S.B. No. 2368**

The purpose of this measure is to:

- (1) Permit the Family Court to award reasonable visitation rights to grandparents, if, among other things, denial of visitation would cause significant harm to the child;
- (2) Establish a rebuttable presumption that the parent's decision is in the best interests of the child; and
- (3) Define factors for the Court to consider when determining significant harm to the child.

Testimony in support of this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that although there may be concerns with increasing the number of issues that the courts must consider in custody matters, the interest of the children warrants such consideration. Accordingly, your Committee encourages further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2368 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 2015 Human Services on S.B. No. 2028**

The purpose of this measure is to establish a program in the Family Court for the registration of child custody evaluators, and to authorize the Board of Family Court Judges to adopt certification criteria and standards for child custody evaluators.

Testimony in support of this measure was submitted by the Children's Rights Council and Angel Group, National Association of Social Workers, Hawaii Chapter, and three individuals.

Written comments were submitted by The Judiciary.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that as an important part of the family court process, child custody evaluators should be held to established standards which are developed by the Family Court. Your Committee also notes that The Judiciary would like to exclude social workers under its employ, and that this issue warrants further discussion as this measure proceeds through the legislative process.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2028 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 2016 (Majority) Human Services on S.B. No. 2032**

The purpose of this measure is to establish a joint legislative Economic Opportunity Poverty Reduction Task Force to advance economic opportunity and to reduce the number of Hawaii residents living in poverty by at least fifty per cent by the year 2020.

Testimony in support of this measure was submitted by the Hawai'i Alliance for Community-Based Economic Development and the National Association of Social Workers, Hawaii Chapter. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Economic Opportunity Poverty Reduction Task Force is essentially a continuation of the 2009 Asset Building Task Force created by the Legislature, and the new Task Force should build on the work and recommendations of the former Task Force.

Your Committee has amended this measure by making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2032, 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 (Hemmings). Excused, none.

**SCRep. 2017 Human Services on S.B. No. 2033**

The purpose of this measure is to make an appropriation out of the Emergency and Budget Reserve Fund for the General Assistance Program.

Testimony in support of this measure was submitted by the National Association of Social Workers, Child and Family Service, Parents and Children Together, and three individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Department of Human Services reduced the amount of general assistance from \$450 per month to \$300 per month, effective November 1, 2009, due to the State's declining revenues. A general assistance benefit of \$300 per month is woefully insufficient to live on. According to the Department of Human Services, the appropriation proposed by this measure is required to reinstate general assistance benefits to \$450 per month at the current caseload of 5,055 cases per month.

Your Committee also finds that funding from the Emergency Budget and Reserve Fund is appropriate since that fund is intended to be used to provide a temporary, supplemental source of funding for the State during times of emergency, economic downturn, and unforeseen reduction in revenues.

Your Committee notes the need for further discussion on whether the General Assistance Program should be restructured. In this regard, Senate Bill No. 1668 S.D. 2, introduced this session, may be used as a model to convert the General Assistance Program from a block grant to an entitlement program.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2033 and recommends that 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. 2018 Energy and Environment on S.B. No. 2331**

The purpose of this measure is to require that by 2015 a minimum of two per cent of each utility's renewable portfolio standard be produced using biofuel or by agricultural producers.

Testimony in support was submitted by one state agency. One state agency and one organization support the intent of the measure, and one organization submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The use of biomass and biofuels can reduce the State's dependence on imported oil and increase the amount of renewable energy produced from sustainable resources. Additionally, long-term contracts for biomass production can improve agricultural producers' economic position. Your Committee finds that a strong agricultural sector is essential to the State's food security and can be an integral part of the State's energy security.

However, as the State experienced with the ethanol-gasoline blending requirement, requiring the use of a particular type of fuel does not necessarily mean that sufficient local production will develop. Your Committee recognizes that due to reasons beyond the electric utility company's control, agricultural energy may not be available in the quantities required by this measure.

Your Committee has amended this measure by adopting the recommendation of the Hawaiian Electric Company to include an availability exception if there is an insufficient supply of agricultural energy.

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. 2331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2331, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Ihara, Kokubun).

**SCRep. 2019 (Joint/Majority) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 2235**

The purpose of this measure is to require that any new single-family residential construction incorporate design elements and minimum requisite equipment at the time of construction to facilitate the future installation of a photovoltaic system.

Testimony in support of the measure was submitted by one state agency and three organizations. One organization supports the intent of the measure. Testimony in opposition was submitted by one county agency and two organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure is part of the Hawaii Clean Energy Initiative's 2010 policy recommendations to help Hawaii meet the Initiative's goal of seventy per cent clean, renewable energy by 2030.

Hawaii is ideal for photovoltaic systems, with the average rooftop receiving the equivalent of nineteen gallons of gasoline in the form of sunshine each day. Less than one per cent of homes presently use photovoltaic systems to power their homes, but that percentage is growing rapidly as the systems become increasingly cost effective. Your Committees find that the cost of including photovoltaic equipment and blueprints is minimal at the time of construction, ranging from \$100 to \$500 per home. However, the cost of retrofitting a home ranges in the thousands of dollars. This preparatory measure will assist homeowners by decreasing the cost of transitioning to a renewable energy future, and is a reasonable step to reducing future energy costs.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2235 and recommend that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 2 (Hemmings, Slom). Excused, 4 (Hooser, Ihara, Kokubun, Nishihara).

**SCRep. 2020 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 2231**

The purpose of this measure is to exempt from the general excise tax the proceeds arising from the sale or lease of electric vehicles and electric vehicle charging systems purchased or placed in service from July 1, 2010 to before January 1, 2020.

Testimony in support of the measure was submitted by one state agency and four organizations. One organization submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure is part of the Hawaii Clean Energy Initiative's 2010 policy recommendations to help Hawaii meet the Initiative's goal of seventy per cent clean, renewable energy by 2030.

Your Committees find that Hawaii offers ideal conditions for electric vehicles: most residents drive short daily distances, the state has well-defined boundaries within which to build the required infrastructure, and the mild climate lends to greater battery performance and longevity. Electric vehicles are cleaner, quieter, and more efficient than gasoline powered vehicles, and, because they depend upon the electrical power grid, can be powered using renewable energy sources such as wind, geothermal, wave, and solar. The expanded use of electric vehicles will greatly reduce Hawaii's dependence on fossil fuels.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2231 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 (Hooser, Ihara, Kokubun, Nishihara).

**SCRep. 2021 Energy and Environment on S.B. No. 2234**

The purpose of this measure is to exempt from the general excise tax the proceeds arising from the sale, installation, servicing, or leasing of renewable energy systems purchased or placed in service from January 1, 2011 to December 31, 2015.

Testimony in support of the measure was submitted by two organizations. Two state agencies support the intent of the measure, and one organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure is part of the Hawaii Clean Energy Initiative's 2010 policy recommendations to help Hawaii meet the Initiative's goal of seventy per cent clean, renewable energy by 2030.

The Department of Business, Economic Development, and Tourism and the Department of Taxation suggest providing this exemption for renewable energy systems that generate at least two megawatts of electricity or greater as set forth in S.B. No. 2675, Regular Session of 2010. Your Committee finds that a complete exemption from the general excise tax is a generous incentive that should be reserved for systems that significantly contribute to Hawaii's energy independence.

Your Committee has amended this measure by adopting the recommendation of the Department of Business, Economic Development, and Tourism and the Department of Taxation to replace its contents with the contents of S.B. No. 2675.

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. 2234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2234, 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 (Hemmings, Ihara, Kokubun).

**SCRep. 2022 Energy and Environment on S.B. No. 2233**

The purpose of this measure is to ensure that state agencies that enter into energy performance contracts continue to receive budget appropriations for energy expenditures in an amount that does not fall below the pre-performance contract budget.

Testimony in support was submitted by two organizations, and one organization submitted comments. Two state agencies submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Energy savings performance contracting has been around since the early 1980s and has been used by public agencies to procure more than one billion dollars in facility solutions. The Department of Accounting and General Services recently approved a \$34 million project for ten state buildings. Other state agencies are interested in entering into similar energy performance contracts but are hesitant to proceed unless they receive an assurance that their budget appropriations for energy expenditures will not fall below pre-performance contract budget amounts. Your Committee recognizes the concerns of the Department of Budget and Finance in that the executive branch requires flexibility to allocate funding based on statewide priorities. However, your Committee finds that this measure is designed to ensure that state agencies are not penalized for implementing energy efficiency improvements.

Your Committee has 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2233, 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 (Hemmings, Ihara, Kokubun).

**SCRep. 2023 Human Services on S.B. No. 2286**

The purpose of this measure is to extend the sunset of the Long Term Care Commission and its reporting deadlines to the Legislature.

Testimony in support of this measure was given by Hawaii Pacific Health, the Policy Advisory Board of Elder Affairs, and the Long Term Care Commission.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

In enacting Act 224, Session Laws of Hawaii 2008, the Legislature recognized that as Hawaii's population ages, the number of frail and disabled individuals will also increase, placing a precipitous demand on the need for long term care services, as well as significant cost pressures on the state budget. The Legislature established the Long Term Care Commission to identify needed reforms to the long term care system, research program changes and resources necessary to meet the State's long term care public policy goals, and explore an array of funding options that may help support the provision of long term care services in the future.

Your Committee finds that although, the appropriation authorized by Act 224 was never released, the Long Term Care Commission was not deterred from its mission. Rather, it secured funds from non-state government sources and after a nation-wide search, selected a nationally-eminant expert on long term care to assist with the project. These research activities are underway and it is critical that they be completed to provide the factual basis for Hawaii's long term care plan.



Your Committee has amended this measure by making clarifying amendments to its purpose section relating to the description of the funding history of Act 224.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2286, 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. 2024 Human Services on S.B. No. 2264**

The purpose of this measure is to restore basic dental benefits that expired in 2006 for indigent adults who are covered by the medicaid program.

Testimony in support of this measure was submitted by the Hawaii State Council on Developmental Disabilities, Malama I Ke Ola, Hawai'i Primary Care Association, Kokua Kalihi Valley, Lutheran Medical Center, The Arc of Kona, Waimanalo Health Center, Waianae Coast Comprehensive Health Center, Hawaii Disability Rights Center, Bay Clinic Family Health Centers, Ho'ola Lahui Hawai'i, and twelve individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appropriate dental care is an important part of overall health, and that currently, indigent adults are only given dental care on an emergency basis. Your Committee also finds that proper maintenance and preventative dental care would alleviate some of the need for emergency dental care. Your Committee would like to note that the term "quest" on page 1, line 12 of the measure should be spelled in all capital letters and requests that the correction be made as the measure continues through the legislative process.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2264 and recommends that 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 (Ihara).

**SCRep. 2025 Transportation, International and Intergovernmental Affairs on S.B. No. 2455**

The purpose of this measure is to provide an exemption from the regulation of motor vehicle sun screening devices for Transparent sun screening materials applied to the AS-1 portion of the windshield in compliance with federal law.

Your Committee received testimony in support of this bill from The Hawaii Business League and T & T Tinting Specialists, Inc. Your Committee received testimony in opposition from K&Y Auto Service. Comments were received from the Honolulu Division of Motor Vehicle, Licensing and Permits Administration. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure updates current law to conform with new technologies that reduces 99.9 per cent of the ultraviolet light spectrum and almost half of the heat, without reducing light transmission below the federal minimum standard of seventy per cent visible light transmission.

Your Committee has been informed that four states have amended their statutes to allow the new technology on front windshields. Other states are considering similar amendments in the interests of implementing the green technology to save energy and add comfort.

Your Committee has amended this measure to make the reference to federal law more specific.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2455, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2026 Transportation, International and Intergovernmental Affairs on S.B. No. 2614**

The purpose of this measure is to authorize the court, in its discretion, to order forfeiture of a defendant's vehicle if it was used in the commission of at least two prior excessive speeding convictions.

Your Committee received testimony in opposition to this measure from the State Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the offense of excessive speeding is particularly egregious. As stated in Conference Committee Report No. 57-06, which recommended the passage of H.B. No. 862, C.D. 1, enacted as Act 129, Session Laws of Hawaii 2006, relating to excessive speeding:

"Your Committee on Conference finds that numerous community concerns have been raised regarding drivers who operate their vehicles at unsafe speeds and endanger the lives of fellow motorists and pedestrians. This measure addresses these concerns."

Your Committee finds that forfeiture of the defendant's motor vehicle may be the most effective means of deterring to repeated excessive speeding. Your Committee understands the concerns raised by the Department of Transportation about resources for storage and maintenance of forfeited vehicles. This concern has been raised before in other measures requiring forfeiture of vehicles.



However, your Committee believes that the Department could come to a resolution of the problem if it examined the forfeiture proceedings to expedite the disposal of the forfeited vehicles. With regard to lack of storage space, your Committee believes that the Department must find space in existing state properties that would be suitable.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2614 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2027 Education and Housing on S.B. No. 2172**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Kaimuki Christian School in financing or refinancing the planning, construction, improvement, and equipping of its educational facilities.

Testimony in support of this measure was submitted by two private organizations and twelve individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Kaimuki Christian School has served as an active member of the Kaimuki community for over forty years. Kaimuki Christian School is growing and has been adding a class per grade level for the past six years. Many of the facilities on campus were built in 1969, and your Committee finds that this measure provides the financial support the school needs for several campus improvement projects, which are projected to allow the school to increase enrollment by over seventy per cent.

Kaimuki Christian School testified that its campus improvement project will require less funding than originally anticipated. Your Committee has therefore amended this measure by reducing the maximum amount of special purpose revenue bonds authorized to be issued from \$30,000,000 to \$20,000,000.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2172, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2172, 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 (Hemmings, Tsutsui).

**SCRep. 2028 Education and Housing on S.B. No. 2113**

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for infusion into the rental housing trust fund.

Testimony in support of this measure was submitted by one county agency and six private organizations. One state agency submitted comments, and one state agency expressed concerns with this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the rental housing trust fund provides financing for affordable rental housing projects in the State and that the sole source of the trust fund is the conveyance tax. Your Committee further finds that the portion of the conveyance tax that is allocated to the rental housing trust fund has declined over the past few years, and the amount of conveyance tax received into the trust fund for fiscal year 2010-2011 will be \$4,000,000 short of the amount needed to fully leverage the State's annual per capita allocation of federal low-income housing tax credits. Your Committee finds that this measure provides an appropriate infusion into the trust fund to continue to support affordable rental housing in the State.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2113 and recommends that 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 (Hemmings, Tsutsui).

**SCRep. 2029 (Joint/Majority) Education and Housing and Commerce and Consumer Protection on S.B. No. 2124**

The purpose of this measure is to appropriate Hawaii hurricane relief funds to restore all remaining lost instructional days for the 2009-2010 school year that have been negotiated pursuant to the collective bargaining process established under chapter 89, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by two private organizations and one individual. Testimony in opposition to this measure was submitted by two state agencies, three private organizations, and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Information from the Department of Education indicates that it costs approximately \$5,766,657 per day to operate Hawaii's public schools. This amount includes essential and other teachers' and school employees' salaries and fringe benefits, school utility costs, and student transportation costs for both charter and non-charter schools. Based on that information, your Committees find that an appropriation of \$36,000,000 in Hawaii hurricane relief funds should be adequate to restore some or all, as the case may be, of the remaining lost instructional days for the 2009-2010 school year. Your Committees further find that charter schools have also sustained a reduction of \$3,791,952 and that charter schools should be allocated a portion of the \$36,000,000 appropriation to alleviate the impact of reductions to charter schools.

Your Committees also find it appropriate to temporarily remove the language indicating the Governor's recommendation for immediate passage of the measure, with the recommendation that this language be re-inserted prior to final reading, in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

Accordingly, your Committees have amended this measure as follows:

- (1) By removing section 1, which indicates the Governor's recommendation for immediate passage of the measure;
- (2) By changing the amount of the appropriation of Hawaii hurricane relief funds from \$50,000,000 to \$36,000,000;
- (3) By providing that a proportionate amount on a per-pupil basis of the \$36,000,000 appropriation be allocated to charter schools; and
- (4) By making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2124, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2124, 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 (Hemmings). Excused, 2 (Ige, Ihara).

**SCRep. 2030 (Joint) Education and Housing and Higher Education on S.B. No. 2257**

The purpose of this measure is to allow the Department of Education, the Department of Accounting and General Services, and the University of Hawaii to accept electronically mailed warrant vouchers for bills of materials, supplies, and incidentals as original documentation, the receipt of which authorizes payment to be made to each individual to whom the State is indebted.

Testimony in support of this measure was submitted by two state agencies. One state agency submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2257, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2257, 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 (Baker, Chun Oakland, Kokubun, Taniguchi).

**SCRep. 2031 (Joint) Education and Housing and Higher Education on S.B. No. 2115**

The purpose of this measure is to allow the Department of Education to preaudit sample populations for proposed payments of less than \$10,000, while still requiring the Department of Education to preaudit proposed payments of \$10,000 or more, and to extend the date until which the University of Hawaii and the Department of Education have autonomy over accounting systems and other purchasing responsibilities and duties.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2115 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Baker, Chun Oakland, Kokubun, Taniguchi).

**SCRep. 2032 (Joint) Education and Housing and Human Services on S.B. No. 2721**

The purpose of this measure is to reduce from seven to six members the number of board members required to constitute quorum on the Board of Directors of the Hawaii Public Housing Authority.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purpose of style.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2721, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2721, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Ihara).

**SCRep. 2033 (Joint) Education and Housing and Human Services on S.B. No. 2112**

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation to complete construction on the Senior Residence at Iwilei, Oahu.

Testimony in support of this measure was submitted by one state agency, four private organizations, and three individuals. Comments were submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that although this measure does not explicitly state so, it is your Committees' understanding that the general obligation bond revenue appropriated by this measure will be deposited into the dwelling unit revolving fund established under section 201H-191, Hawaii Revised Statutes, for the purpose of construction of the Senior Residence at Iwilei.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2112 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; Ayes with Reservations (Tsutsui). Noes, none. Excused, 1 (Ihara).

**SCRep. 2034 (Joint/Majority) Education and Housing and Labor on S.B. No. 2327**

The purpose of this measure is to require that benefits and rights of Department of Education civil service employees relating to transfer, reduction in force, promotion, medical placement, and seniority are the same as those provided to civil service employees of state executive branch agencies.

Testimony in support of this measure was submitted by two private organizations and one individual. Testimony in opposition to this measure was submitted by two state agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that Act 51, Session Laws of Hawaii 2004, transferred certain rights, powers, functions, duties, and resources to the Department of Education to establish a centralized human resources system that determines the classes of work performed by Department of Education employees; integrates payroll, records, transactions, leaves, and reports; and manages the recruitment, certification, examination, management, classification, and compensation of Department of Education employees, including labor relations. Your Committees find that despite the enactment of Act 51, the Department of Education has yet to establish such a human resources system. In the absence of a system, administrative rules, or procedures that adequately address civil service employees' benefits and rights upon transfer to or from the Department of Education, this measure allows civil service employees to retain certain benefits and rights upon such transfers.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2327 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, 1 (Slom). Excused, 3 (Bunda, Hee, Hemmings).

**SCRep. 2035 Education and Housing on S.B. No. 2121**

The purpose of this measure is to allow the Early Learning Council to conduct meetings by teleconference and sets quorum requirements, public notice requirements, and public participation requirements for teleconference meetings.

Testimony in support of this measure was submitted by two state agencies and two private organizations. One state agency provided comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure allows for more cost-effective participation by Early Learning Council members on the neighbor islands and encourages greater public participation in council meetings.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2121 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hemmings, Tsutsui).

**SCRep. 2036 Energy and Environment on S.B. No. 2294**

The purpose of this measure is to revise the renewable energy technologies income tax credit to provide tax incentives that make financial sense for investors wanting to develop large, commercial renewable energy projects in the State.

Specifically, this measure:

- (1) Expands the renewable energy technologies income tax credit for renewable energy projects installed on commercial properties;
- (2) Reduces the credit reduction for taxpayers seeking a refundable tax credit for renewable energy projects on commercial property;
- (3) Authorizes the renewable energy technologies income tax credit to be transferred between taxpayers; and
- (4) Expressly permits insurance companies to be eligible to claim the renewable energy technologies income tax credit.

Testimony in support of the measure was submitted by one state agency and one organization. One organization submitted comments. Testimony in opposition was submitted by one state agency and two organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure is one of the recommendations of the Technology Caucus Work Group, convened following the Regular Session of 2009 by the Senate Committee on Economic Development and Technology and the House Committee on Economic Revitalization, Business and Military Affairs. The Work Group brought together industry stakeholders and policy makers to develop recommendations to enhance Hawaii's struggling economy.

Your Committee finds that the premium tax on insurers in Hawaii is the highest premium tax of any state in the nation, and providing insurers access to the renewable energy technologies income tax credit can mitigate Hawaii's high premium tax and provide incentives for investment in important sectors of Hawaii's economy. Your Committee recognizes, however, the Department of Taxation's concerns with regard to the transferability of the tax credit, and the Department's lack of infrastructure to regulate credit transfers. This measure will accelerate investment in Hawaii's clean energy future and yield numerous benefits including creating jobs, reducing Hawaii's dependency on imported fossil fuel, reducing greenhouse gas emissions, and accelerating economic development.

Your Committee has amended this measure by:

- (1) Adopting the recommendation of the Department of Taxation to remove the authorization to transfer the renewable energy technologies income tax credit; and
- (2) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2294, 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 (Hemmings, Ihara, Kokubun).

**SCRep. 2037 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2500**

The purpose of this measure is to require that the state Auditor conduct a financial and management audit of the Office of Hawaiian Affairs, and to issue a report of the findings prior to the convening of the 2011 legislative session.

Testimony in support of the measure was submitted by one organization and ten individuals. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes that the Office of Hawaiian Affairs is statutorily required to submit an audit every four years, and is subject to federal audits for the use of federal funds. However, despite these efforts, there remain significant questions regarding the Office of Hawaiian Affairs' use of funds and management decisions. Your Committee finds that these questions should be answered fully to the satisfaction of the community.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 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 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. 2500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2500, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Kokubun).

**SCRep. 2038 Higher Education on S.B. No. 2385**

The purpose of this measure is to:

- (1) Extend the University of Hawai'i's fiscal autonomy from the Comptroller beyond June 30, 2011;
- (2) Remove the time limit on the authority of the University of Hawai'i to install a different accounting system;
- (3) Extend the Comptroller's authority to request the University of Hawai'i to provide information for the preparation of income and expenditure statements;
- (4) With respect to uniform business and accounting forms only, extend the University of Hawai'i's authority to submit proposed new forms or changes to forms for review and approval;
- (5) Extend the University of Hawai'i's chief financial officer's authority to approve assignment of moneys to assignees; and
- (6) Extend beyond June 30, 2011, the requirement for the University of Hawai'i to report to the Comptroller transactions involving moneys held outside of the state treasury by the University of Hawai'i.

Testimony in support of this measure was submitted by the University of Hawai'i System. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure extends the University of Hawai'i's fiscal flexibility to facilitate the efficient financial administration of the University of Hawai'i.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385 and recommends that 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; Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Kokubun).

**SCRep. 2039 (Majority) Higher Education on S.B. No. 2386**

The purpose of this measure is to establish the University of Hawai'i capital improvements program project assessment special fund to defray costs of administering the University of Hawai'i's capital improvements projects.

Testimony in support of this measure was submitted by the University of Hawai'i System. The Department of Budget and Finance submitted concerns. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Department of Accounting and General Services, the Department of Education, and other agencies have established special funds for the purpose of amortizing certain expenses, such as printing costs and travel costs, against the projects for which they are used, and that the University of Hawai'i similarly should be allowed to establish a capital improvements program project assessment special fund to facilitate the administration of its capital improvements projects.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2386 and recommends that 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, 1 (Slom). Excused, 1 (Kokubun).

**SCRep. 2040 Transportation, International and Intergovernmental Affairs on S.B. No. 2449**

The purpose of this measure is to make permanent Act 72, Session Laws of Hawaii 2005 (Act 72), which enacted the law on provisional licenses for persons under the age of eighteen.

Your Committee received testimony in support of this bill from the State Department of Transportation; Honolulu Motor Vehicle, Licensing and Permits Administration; State Farm Mutual Automobile Insurance Company; Injury Prevention Advisory Committee; and Mothers Against Drunk Driving HAWAII. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The purpose of provisional licensing is to improve traffic safety by establishing a driver licensing program consisting of a graduated driver licensing in three stages for persons under the age of eighteen.

Act 72 is currently scheduled to sunset on January 9, 2011. The sunset date was added in Senate Draft 2 to H.B. No. 150 (2005), in order for the Department of Transportation and Department of Health to compile and analyze all traffic and accident data to determine the effectiveness of this graduated licensing program in reducing traffic fatalities and accidents in the State.

Testimony indicated that prior to Act 72, teen drivers under the age of eighteen comprised 3.4 per cent of licensed drivers but accounted for ten per cent of all drivers involved in collisions. Since Act 72, the number of sixteen year olds with driver licenses declined eighteen per cent, and the number of crashes associated with this age group decreased twenty-seven per cent. The number of crashes for seventeen year olds decreased by fourteen per cent.

Another significant change has been the number of evening collisions involving sixteen and seventeen year olds. Because of the restrictions imposed on these drivers between 11:00 p.m. and 5:00 a.m., there have been nineteen fewer crashes at night involving multiple minor aged passengers each year.

Since the enactment of Act 72, the number of deaths among teens involved in collisions was reduced by sixty per cent for sixteen year olds and the same for seventeen year olds. Your Committee finds that the number of lives saved attributable to Act 72, as well as the number of crashes reduced, is proof positive of Act 72's effectiveness.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2449 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. 2041 Energy and Environment on S.B. No. 2332**

The purpose of this measure is to direct the Public Utilities Commission to enact an on-bill financing program whereby residential electric utility customers may finance purchases of energy efficient or renewable energy devices and systems through their regular electric utility bills.

Testimony in support of this measure was submitted by three organizations. One state agency and three organizations support the intent of the measure, and one state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes the concerns raised by testifiers regarding the potential cost of administering this program. However, your Committee also recognizes that the Hawaiian Electric Company recently completed a two-year SolarSaver Pilot Program for solar



hot water systems and the Kauai Island Utility Cooperative has implemented a successful on-bill financing program. These successful programs demonstrate why this approach is beneficial. Empirical studies examining the purchase of energy-saving devices reveal that high initial investment costs foster a tendency to avoid energy saving innovations, regardless of the potential future money savings from reduced energy usage. On-bill financing, which has been used in Massachusetts, Rhode Island, Connecticut, and California, is a way for consumers to install energy efficient devices and stay within their monthly budgets. This measure can help Hawaii toward its goal of moving toward greater energy efficiency and renewable energy technologies.

Your Committee has amended this measure by addressing the concerns of the Hawaii Association of Realtors to clarify that the device or system purchased pursuant to this measure shall remain on the property after a sale, lease, or transfer unless the residential electric utility customer complies with certain conditions.

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. 2332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2332, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Ihara, Kokubun).

**SCRep. 2042 Energy and Environment on S.B. No. 2147**

The purpose of this measure is to prohibit a commercial building or structure owner or lessee from keeping any exterior door open while an air conditioner or central cooling system is in use.

Testimony in support of the measure was submitted by two organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this is a simple, but effective measure to ensure energy consciousness. The building sector accounts for seventy-two per cent of electricity use, and more than thirty-six per cent of greenhouse gas emissions, in the United States. This measure is a smart policy to help reduce Hawaii's energy consumption and greenhouse gas production.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2147, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Ihara, Kokubun).

**SCRep. 2043 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 2081**

The purpose of this measure is to increase the fines for littering and deposit the moneys collected into a special account in the general fund for use by the state or county law enforcement agency that issued the littering citation.

Testimony in support was submitted by one county agency, and one state agency submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that littering is a serious problem in Hawaii; it can cause vehicle accidents on roadways, damage plants and natural areas, injure animals who mistake it for food, and drive tourists away from otherwise scenic areas. Your Committees hope this measure will discourage people from continuing the destructive practice of littering and encourage county and state law enforcement agencies to enforce the law.

Your Committees have amended this measure by:

- (1) Adopting the recommendation of the County of Hawaii Department of Environmental Management to clarify that the moneys collected from a county-issued littering citation shall be deposited into the county's general fund; and
- (2) Deleting the amendment to raise the minimum fine for littering, in order to provide maximum flexibility to the citation issuing authority.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2081, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2081, 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, Ihara, Kokubun, Nishihara).

**SCRep. 2044 Energy and Environment on S.B. No. 2232**

The purpose of this measure is to expand the existing ethanol facility tax credit to include other liquid biofuels and to enable larger facilities to be eligible for the tax incentive, without changing the level of incentive or cap per facility.

Your Committee received testimony in support of this measure from one state department. One state department and three private organization submitted testimony in support of the measure, with comments. One private organization submitted testimony supporting



the intent of the measure. Comments were submitted by three private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Due to the number and range of comments and requested amendments received by your Committee from various stakeholders, a working group of interested parties met to discuss a compromise regarding suggested amendments to the measure as received. The stakeholders included representatives from the Department of Business, Economic Development, and Tourism, the Department of Taxation, the Hawaii Renewable Energy Alliance, Pacific West Energy LLC, and Hawaii BioEnergy.

Your Committee finds that biofuels will likely play a major role in Hawaii's clean energy future, particularly as a substitute for petroleum-based transportation fuels. However, these fuels are not limited to just ethanol, but include other biofuels from such renewable resources as sugarcane, algae, and waste products. By expanding the ethanol facility tax credit to encourage the production of other biofuels, Hawaii's energy future can be diversified, and investment in these other renewable fuels can be encouraged.

Incorporating changes recommended by the stakeholder working group, your Committee has amended this measure by:

- (1) Monetizing the tax credit as a specific dollar amount, rather than a percentage of gallon capacity;
- (2) Revising the definition of "agricultural feedstocks" to expand the types of feedstocks intended to be covered by this definition, while removing specific restrictions on the condition or source of the feedstocks;
- (3) Specifying that direct capital expenditures in agricultural infrastructure, and the types of such expenditures, may qualify as an investment under the tax credit;
- (4) Expanding the types of qualifying biofuel production methods to include methods used in the production of biofuels other than ethanol;
- (5) Amending the annual aggregate tax credit cap by pro rating the caps between facilities producing ethanol and facilities producing other types of biofuel, without changing the current aggregate cap amount; and
- (6) Making other 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. 2232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2232, 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 (Hooser, Kokubun). Noes, none. Excused, 2 (Hemmings, Ihara).

**SCRep. 2045 (Majority) Labor on S.B. No. 2383**

The purpose of this measure is to authorize the Department of Labor and Industrial Relations to exercise enforcement powers against an employer in a covered establishment in matters relating to the notification and penalty provisions of section 394B-9, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by three private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that with the current economic recession facing the State, many employers in a covered establishment are separating from or closing their business without complying with the requirements of section 394B-9, Hawaii Revised Statutes. Your Committee also finds that providing the Department of Labor and Industrial Relations with notification and penalty enforcement powers will provide affected employees with an alternative means to filing a grievance against their former employer in a covered establishment.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2383 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 2046 Labor on S.B. No. 2626**

The purpose of this measure is to require every agency in the State of Hawaii to report to the Legislature, on a quarterly basis, the number of non-civil service temporary employees employed by the agency each fiscal year.

Testimony in support of the intent of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that quarterly reporting of non-civil service temporary employees employed by every agency will enable the Legislature to analyze budget constraints on the financial resources of the State more precisely and assist in evaluating the human resource needs of each agency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2626 and recommends that 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 (Bunda, Hee).

**SCRep. 2047 (Majority) Labor on S.B. No. 2107**

The purpose of this measure is to amend the definition of “dependent-beneficiary” for purposes relating to the Employer-Union Health Benefits Trust Fund to be consistent with the definition used for Medicare purposes pursuant to Title 42 United States Code section 426(b).

The Attorney General submitted comments on the measure. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that this measure will expand the number of people who would be deemed a dependent-beneficiary and eligible for insurance benefits under the Employer-Union Health Benefits Trust Fund. Your Committee also finds that, although this measure will provide coverage to a broader range of unmarried children who are disabled, the costs of insurance coverage and implementation of benefits under the Employer-Union Health Benefits Trust Fund may potentially increase.

Your Committee has amended this measure by:

- (1) Keeping the “regardless of age” phrase that currently exists in the definition of “dependent-beneficiary” as it relates to unmarried children who are disabled; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2107, 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 (Hee).

**SCRep. 2048      Transportation, International and Intergovernmental Affairs on S.B. No. 2755**

The purpose of this measure is to prohibit the use of cellular phones and other mobile electronic devices while operating a motor vehicle, with certain exceptions, and to specifically prohibit activities such as texting, instant messaging, gaming, and emailing, and other activities that take the driver’s eyes off the road, mind off the road, and hands off of the wheel.

Your Committee received testimony in support of this measure from the Department of Transportation; Honolulu Prosecuting Attorney; Honolulu Police Department; Hawaii Transportation Association; Signature Cab Holdings, Inc., dba TheCAB; and eleven individuals. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that the task of driving requires the driver’s full attention in focusing on the roadway and driving maneuvers. Any distraction that diverts the driver’s attention from the primary tasks of maneuvering the vehicle and responding to critical events increases the risk of being involved in a motor vehicle crash.

The National Highway Traffic Safety Administration has found that in 2008, nearly six thousand people died and more than 500,000 people were injured in crashes that involved a distracted or inattentive driver. The number of fatal crashes involving a distracted or inattentive driver represented sixteen per cent of all fatal crashes for that year. Federal researchers have found that more people are using a variety of hand-held devices while driving, such as cellular phones, iPods, video games, Blackberrys, and GPS systems. In particular, the use of cellular phones for talking and texting is more prevalent on the nation’s highways.

Legislation pending in Congress would require states to enact a law prohibiting the operator of a moving motor vehicle from writing, sending, or reading a text message or using a hand-held mobile telephone, and would require graduated penalties. Failure of any state to enact such a law would require that the Secretary of Transportation withhold twenty-five per cent of the state’s highway construction funds each year until a law is passed. Your Committee finds that prudence dictates that Hawaii enact such a measure as soon as possible to avoid diminution of federal highway funding to the State.

Your Committee has amended this measure by:

- (1) Deleting the provision referring to the violation as not constituting a traffic infraction, on the recommendation of law enforcement;
- (2) Clarifying the exemption pertaining to use of two-way radios on certain trucks operated by businesses; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2755, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2049      Transportation, International and Intergovernmental Affairs on S.B. No. 2757**

The purpose of this measure is to extend the expiration date for an initial commercial driver’s license from a period of not less than two or six years to a period of not more than eight years, expiring on the driver’s birthday.

Your Committee received testimony in support of this measure from the Department of Transportation and Hawaii Transportation Association. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that this measure prepares the State for the federal REAL ID Act, which is a nationwide effort to improve the integrity and security of state-issued driver licenses and identification cards, which in turn will help fight terrorism and reduce fraud. This measure also provides greater consistency between the various identification cards and licenses in Hawai'i.

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

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2757, 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. 2050 (Majority) Transportation, International and Intergovernmental Affairs on S.B. No. 2461**

The purpose of this measure is to:

- (1) Clarify that the Department of Transportation may administratively change the amount of the rental motor vehicle customer facility charges, which are exempted from the administrative procedures for rule making but requiring that any such change receive a public informational hearing;
- (2) Raise the statutorily designated amount of the rental motor vehicle customer facility charge from \$1 to \$4.50;
- (3) Raise the ceiling on the balance of the moneys in the rental motor vehicle customer facility charge special fund from \$25,000,000 to \$483,908,000;
- (4) Make an appropriation from the rental motor vehicle customer facility charge special fund for the:
  - (A) Planning, conceptual design, and design of rental motor vehicle customer facilities at state airports and related services; and
  - (B) Planning, conceptual design, design, and improvement, pavement, lighting, construction, and fencing to an existing ground-level storage area shared by rental motor vehicle concessions at the state airport located in Kahului, Maui; and
- (5) Clarify that any unexpended or unencumbered balance of any appropriation made by Act 226, Session Laws of Hawaii 2008, as of the close of business on June 30, 2011 shall lapse into the rental motor vehicle customer facility charge special fund.

Your Committee received testimony in support of this bill from The Hertz Corporation; Avis Budget Group; Dollar Thrifty Automotive Group, Inc.; Catrala Hawaii; Hawaii Laborers' Union; Alamo Rent A Car; Enterprise Rent A Car, and National Car Rental. Testimony in opposition to this bill was received from Paradise Cruise, Ltd. The Tax Foundation of Hawaii provided comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Act 226, Session Laws of Hawaii 2008 (Act 226), implemented a car rental facility charge of \$1 daily and appropriated up to \$10 million for planning, design, and some possible improvements to car-rental facilities at public airports throughout Hawaii. The construction of improved rental motor vehicle facilities, and the improvement of services that would occur as a result of these improved facilities, would enhance customer opportunities and satisfaction.

Act 226 also established the rental motor vehicle customer facility charge special fund into which was deposited the car rental facility charge of \$1. Moneys in the rental motor vehicle customer facility charge special fund are used for enhancement, renovation, operation, and maintenance of existing rental motor vehicle customer facilities and the development of new rental motor vehicle customer facilities and related services at state airports.

Act 266 provided for a \$1 rental motor vehicle customer facility charge, but simultaneously provided for the Department of Transportation to set the rate without legislative enactment. This measure clarifies that henceforth the Department of Transportation may set the rate, thus negating the necessity for a legislative enactment to change those rates.

Your Committee finds that the charge of \$4.50 daily and the revenues that are generated therefrom will strongly support both the program as well as the bonds to finance the related construction projects, which will total approximately \$500,000,000. It is very important that the program have strong financing and the stream of revenues to attract the buyers of the bonds during these turbulent economic times, in order to avoid program delays. In spite of years of discussions, the motor vehicle rental facilities over time have deteriorated and have not kept pace with similar facilities and services provided to visitors and residents at other public airports across the United States.

Your Committee has amended this measure by:

- (1) Deleting language that specifically exempts the Department of Transportation from complying with chapter 91, Hawaii Revised Statutes, when changing the rental motor vehicle customer facility charge, since your Committee finds that existing law sufficiently declares that the Department already has such authority;
- (2) Providing for a minimum of \$500,000,000 in the collection ceiling of the rental motor vehicle customer facility charge;
- (3) Appropriating \$320,000,000 out of the rental motor vehicle customer facility charge special fund to continue to fast-track projects;
- (4) Clarifying that the \$4.50 per day rental motor vehicle customer facility charge shall not be reduced by the Department of Transportation for at least twenty years following September 1, 2010, or until such time as necessary to satisfy bond obligations and financial agreements entered into by the Department; and

- (5) Making technical, nonsubstantive amendments for clarity and to conform terminology to existing law.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2461, 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. 2051 Tourism on S.B. No. 2187**

The purposes of this measure are to:

- (1) Authorize the Hawaii Tourism Authority to maintain the confidentiality of competitively sensitive information;
- (2) Align performance goals with the Authority's strategic plan goals; and
- (3) Preserve Hawaii Tourism Authority fiscal autonomy provisions of Act 58, Session Laws of Hawaii 2004, as amended, by deleting repeal and reenactment provisions scheduled to take effect on June 30, 2010.

Testimony in support of this measure was submitted by the Office of the Governor, Hawai'i Tourism Authority, and Hawai'i Hotel & Lodging Association.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Hawaii Tourism Authority to withhold from public disclosure competitively sensitive information, including completed survey and questionnaire forms, coding sheets, and database records of the information, and keep confidential information gathered from visitors that is necessary for research. The measure further clarifies the types of information the Board of Directors of the Hawaii Tourism Authority may consider in executive session, which is closed to the public. Your Committee further finds that the Board recently developed a strategic plan that established goals and set targets for the organization, and the revisions in this measure will ensure that performance goals and targets are included as part of the plan.

In discussion regarding submission of reports on contracts and agreements "periodically", and whether the word may need further clarification, the Hawaii Tourism Authority stated that currently the Chief Executive Officer submits a monthly report including notice of all contracts and agreements entered into by the Authority, and the amendment conforms to this practice.

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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2187, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2052 Education and Housing on S.B. No. 2119**

The purpose of this measure is to remove unnecessary restrictions on the use of food distribution program revolving funds and allow the use of the funds to support the administration and operation of the food distribution program pursuant to 7 Code of Federal Regulation section 250.15.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will align the use of funds in the food distribution revolving fund with the allowable costs in the United States Department of Agriculture Food Distribution Programs. Given these times of fiscal austerity, unnecessarily restricting the use of these moneys within this fund places a greater strain on the Department of Education's financial situation.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2119 and recommends that 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 (Hemmings, Tsutsui).

**SCRep. 2053 Education and Housing on S.B. No. 2096**

The purpose of this measure is to establish a voluntary career mentoring program in the Department of Education to provide high school students with contact information for retirees who volunteer to share experience and knowledge about potential careers.

Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee was informed through testimony of an existing volunteers and partners program through the Department of Education that matches qualified volunteers with schools that have particular needs. Your Committee finds that the volunteers and partners program provides a network through which schools and volunteers may partner to provide not only career mentoring opportunities, but also coaching, advising, tutoring, campus beautification, traffic supervision, fundraising, and other experience and knowledge to students and schools.

Your Committee finds that the volunteers and partners program has been successful and should be expanded to other public schools. The Department of Education indicates that the cost of implementing the volunteers and partners program in a school would be approximately \$250,000 in the first year, after which the costs would drop off substantially due to less training and technical support needs.

In accordance with the findings, your Committee has amended this measure by:

- (1) Replacing the contents of this measure with support for the Department of Education's existing volunteers and partners program;
- (2) Inserting an appropriation with an unspecified dollar amount for determination by the Committee on Ways and Means using the estimated cost provided by the Department of Education;
- (3) Requiring the Department of Education to adopt rules to expand the volunteers and partners program to other schools and report to the Legislature on its progress in expanding the program; and
- (4) Changing the effective date from upon approval to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2096, 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 (Hemmings, Tsutsui).

**SCRep. 2054 Education and Housing on S.B. No. 2109**

The purpose of this measure is to establish a program for granting low-income housing tax credit loans in lieu of low-income housing tax credits, to be administered by the Hawaii Housing Finance and Development Corporation, and to authorize the issuance of general obligation bonds to fund the loans.

Testimony in support of this measure was submitted by one state agency and seven private organizations. One state agency and one private organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure follows provisions in the federal American Recovery and Reinvestment Act of 2009 to provide developers of affordable rental housing projects with the equity to finance their projects. Your Committee also finds that this measure spurs affordable rental housing developments while allowing the State to pay for the loans through the issuance of general obligation bonds, making the measure budget neutral.

Your Committee has amended this measure by:

- (1) Clarifying that the general obligation bonds authorized to be issued by this measure are taxable; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee recommends that the amendments offered by Stanford Carr Development, LLC be further explored. The proposed amendments extend the option to monetize state tax credits to developers of projects that have been awarded federal tax credits allocated pursuant to section 42(h)(4) of the Internal Revenue Code.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2109, 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 (Hemmings, Tsutsui).

**SCRep. 2055 Education and Housing on S.B. No. 2117**

The purpose of this measure is to repeal the school-level minor repair and maintenance account.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure eliminates the unnecessary reporting burden on the Department of Education under section 302A-1504, Hawaii Revised Statutes, but retains the existing reporting requirement for the school-level minor repair and maintenance special fund pursuant to section 37-47, Hawaii Revised Statutes.

Your Committee has amended this measure by requiring the Department of Education to annually report to the Director of Finance and the Legislature the total amount of funds in the school-level minor repair and maintenance special fund that will carry over to the following fiscal year.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2117, 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 (Hemmings, Tsutsui).

**SCRep. 2056 Education and Housing on S.B. No. 2130**

The purpose of this measure is to direct the Department of Education to enter into a financing agreement for the planning and design of Royal Kunia Elementary School II using certificates of participation.

Testimony in support of this measure was submitted by one state agency, one private organization, and five individuals. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides a quicker and more cost-effective means of financing the planning and design of the Royal Kunia Elementary School II, which has already experienced delays.

Your Committee finds that the Department of Budget and Finance, rather than the Department of Education, should make the required payments on the certificates of participation for the project as the Department of Budget and Finance is responsible for the State's debt service payments. Your Committee also finds that the use of general funds, rather than state educational facilities improvement special funds, is more appropriate for the purposes of this measure.

Your Committee has amended this measure as follows:

- (1) By removing inaccurate information from the purpose section;
- (2) By appropriating general funds, rather than state educational facilities improvement special funds;
- (3) By specifying that the Department of Budget and Finance shall make the required payments on the certificates of participation for the Royal Kunia Elementary School II project; and
- (4) By making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2130, 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 (Hemmings, Tsutsui).

**SCRep. 2057 Education and Housing on S.B. No. 2279**

The purpose of this measure is to:

- (1) Reduce the backlog of repair and maintenance projects within the public schools to a manageable level by authorizing the issuance of an unspecified sum of general obligation bonds and appropriating the revenues derived therefrom for these repair and maintenance projects; and
- (2) Provide a temporary exemption from chapters 103 and 103D, Hawaii Revised Statutes, for the Department of Education in order to expedite construction projects.

Testimony in support of this measure was submitted by one state agency and one private organization. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the funds appropriated by this measure will help reduce the repair and maintenance project backlog at our public schools. However, your Committee believes that the temporary exemption from the provisions of the Procurement Code are unnecessary, because Act 175, Session Laws of Hawaii 2009, allows for expedited construction procurements of less than \$250,000 via electronic procurement. Further, the Department of Education may streamline their policies and procedures regarding procurement without a specific exemption from the Procurement Code.

Your Committee has amended this measure by:

- (1) Deleting part II of the measure, which contains the temporary exemption from chapters 103 and 103D, Hawaii Revised Statutes, for the Department of Education; and
- (2) Deleting the references to parts I and III and making other conforming changes for consistency.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2279, 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 (Hemmings, Tsutsui).

**SCRep. 2058 (Joint/Majority) Education and Housing and Labor on S.B. No. 2797**

The purpose of this measure is to make permanent the voluntary employees' beneficiary association trusts originally established as temporary trusts under Act 245, Session Laws of Hawaii 2005.

Testimony in support of this measure was submitted by two private organizations and fifteen individuals. Testimony in opposition to this measure was submitted by two state agencies and one private organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that additional time is necessary to:

- (1) Debate whether to continue to allow voluntary employees' beneficiary association trusts (VEBA);



- (2) Allow the Hawaii Employer-Union Health Benefits Trust Fund to manage its existing responsibilities and deal with administration changes; and
- (3) Allow further discussion of issues raised by the State Auditor.

Accordingly, your Committees have amended this measure by extending the effective date of Act 245, Session Laws of Hawaii 2005, as amended, to July 1, 2012. Your Committees note that by inserting a sunset date, sections 89-2, 89-3, 89-6, and 89-9, Hawaii Revised Statutes, will be reenacted in the form in which they read on June 30, 2012; however, amendments unrelated to VEBA that have been made to these sections since the enactment of Acts 202 and 245, Session Laws of Hawaii 2005, will be retained upon the repeal and reenactment of those sections on July 1, 2012.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2797, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2797, 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 (Taniguchi). Noes, 1 (Slom). Excused, 3 (Bunda, Hee, Hemmings).

**SCRep. 2059 Labor on S.B. No. 2205**

The purpose of this measure is to allow individual beneficiaries enrolled in a Hawaii Employer-Union Health Benefits Trust Fund health benefits plan to opt out of any requirement to purchase prescriptions by mail order.

Testimony in support of this measure was submitted by three individuals. Comments on this measure were submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that individual beneficiaries enrolled in a Hawaii Employer-Union Health Benefits Trust Fund health benefits plan have experienced long delays, increased costs, and frustration with being required to receive their prescriptions by mail order. Your Committee also finds that allowing the option for individual beneficiaries to purchase prescriptions from local retail pharmacies will benefit the severely ill in Hawaii by providing them with timely treatment.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2205, 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 (Bunda, Hee).

**SCRep. 2060 (Majority) Public Safety and Military Affairs on S.B. No. 2025**

The purpose of this measure is to:

- (1) Repeal the provision requiring annual review by the Hawaii Paroling Authority of paroled prisoners who are not granted a final discharge and full pardon;
- (2) Repeal the provision allowing a paroled prisoner who enters into military service of the United States to petition for final discharge from parole based on an honorable discharge from the military; and
- (3) Allow, rather than require, additional hearings at twelve-month intervals or less until parole is granted, if parole is not granted to an inmate at the inmate's initial parole hearing.

Your Committee received testimony in support of this measure from one government entity. Testimony in opposition was received from three private entities and eight individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

According to testimony of the Hawaii Paroling Authority, the intent of this measure is to update current law and to streamline the workload for staff at the Hawaii Paroling Authority.

Your Committee understands that there are currently practices in place to address early discharge consideration for *parolees* that have displayed a positive adjustment to parole supervision in the community. However, your Committee finds that the Hawaii Paroling Authority should ensure that *inmates* appropriate for release are timely reviewed and not incarcerated for longer than is necessary. Retaining the statutory requirement that requires a parole hearing every twelve months or less for inmates who have been denied parole at their initial parole hearing will ensure timely and regular review. This will provide inmates with the incentive to continue working on their rehabilitation and reentry into the community. It will also help to ensure that prison space is reserved for those who require it, which is especially important in times of state budgetary crisis.

Accordingly, your Committee has amended this measure by retaining the requirement for mandatory annual hearings to determine if parole is to be granted, if parole was not granted, to an inmate at the inmate's initial parole hearing.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2025, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Gabbard, Galuteria). Noes, 1 (Kidani). Excused, 1 (English).

**SCRep. 2061 Public Safety and Military Affairs on S.B. No. 2139**

The purpose of this measure is to enable the Director of the Office of Veterans' Services to act on behalf of deceased veterans found to be indigent at the time of death and without surviving immediate family members to ensure the burial of the veteran's remains in a state veterans cemetery.

Your Committee received testimony in support of this measure from one government entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee is informed that a significant number of veterans without family require assistance from the Office of Veterans Services to make their final arrangements. Addressing this issue becomes increasingly important as the age of veterans progresses and as the number of veterans of World War II, the Korean War, the Vietnam War, and the global war on terrorism increases. This measure will ensure that each veteran who is entitled to military honors and placement in a veteran's cemetery receives appropriate services.

Your Committee has amended this measure to include the provision of cremation services.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2139, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 2062 Public Safety and Military Affairs on S.B. No. 2054**

The purpose of this measure is to establish within the Civil Defense Agency the position of Statewide Communications Interoperability Coordinator and to appropriate federal funds received from the Homeland Security Grant Program to fund this new position.

Your Committee received testimony in support of this measure from two government entities. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure addresses the importance and complexity of multi-jurisdictional collaboration and partnerships among the many public safety agencies. The intent of this measure is to achieve effective voice and data communications during routine and emergency civil defense situations.

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

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2054, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2054, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 2063 (Majority) Public Safety and Military Affairs on S.B. No. 2026**

The purpose of this measure is to establish a parole service fee and a parole services special fund.

Your Committee received testimony in support of this measure from two government agencies. Testimony in opposition was received from four private entities and six individuals. Comments were received from one government agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the practice of collecting a fee associated with parole supervision is a practice that is being utilized in thirty-four states. The funds are used to defray the expenses of parole supervision and to enhance parole services.

Your Committee has amended this measure by:

- (1) Clarifying that the parole service fee is not a precondition of granting parole;
- (2) Establishing a parole service fee amount of \$60;
- (3) Allowing the Hawaii Paroling Authority to waive the parole service fee if it is determined that the parolee is unable to pay the fee within forty-eight months of parole;
- (4) Requiring the Hawaii Paroling Authority to waive the parole service fee or balance of the fee owed if no payment or only partial payment is made within forty-eight months immediately following release on parole;
- (5) Allowing the Hawaii Paroling Authority to enter into a memorandum of agreement with another state agency to collect the parole service fee; and
- (6) Clarifying that the parole service fee, whether collected by the Hawaii Paroling Authority or by another state agency, is to be deposited into the parole services special fund and the crime victim compensation special fund.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2026, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2026, 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 (Gabbard, Kidani). Noes, 1 (Galuteria). Excused, 1 (English).

**SCRep. 2064 (Joint/Majority) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2052**

The purpose of this measure is to amend the fireworks law by:

- (1) Establishing a surcharge on the sale of consumer fireworks to be collected by the Department of Taxation;
- (2) Clarifying the definition of “cultural” to include religious events held in the State;
- (3) Deleting the purchase limit on the amount of consumer fireworks allowed under each permit;
- (4) Increasing the permit fees and directing that those fees be credited to the county that collected the fees;
- (5) Increasing the penalty for violation of the fireworks law and directing the transfer of fees collected into the general fund; and
- (6) Requiring the State Fire Council to conduct a study of the negative effects of fireworks use in the State, including the costs thereof to public agencies in responding to fireworks incidents.

Your Committees received testimony in support of this measure from two government agencies, one neighborhood board, one community nonprofit organization, and two individuals. Comments were received from one individual. Testimony in opposition was received from one state department and one private entity. Written testimony presented to the Committees may be reviewed on the Legislature’s website.

Your Committees find that an inordinate amount of illegal fireworks were set off during the recent New Year’s holiday celebration, particularly loud “bombs” and aerial fireworks. Testimony indicated that it is difficult to determine which fireworks are obtained illegally without a permit and which are homemade or otherwise modified and made illegal. The situation makes enforcement all the more difficult. To the extent that this measure is intended to increase fireworks permit fees, it is hoped that this may serve as a measure of deterrence without banning fireworks at least for now.

Your Committees defer to the Committee on Ways and Means to insert the appropriate permit fee amount. Your Committees urge that the amount of the fee be sufficiently high to serve as a deterrent and as a source of revenue for county law enforcement efforts.

Your Committees have amended this measure by:

- (1) Deleting the Department of Taxation surcharge on the sale of fireworks;
- (2) Leaving blank the amount to be charged for permit fees and graduated surcharge fees for purchase;
- (3) Earmarking the permit and graduated surcharge fees for use by the county for law enforcement purposes;
- (4) Deleting the study to be conducted by the State Fire Council;
- (5) Changing the effective date to July 1, 2050 for purposes of facilitating further discussion; and
- (6) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2052, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2052, 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 (Bunda, Galuteria, Kidani). Noes, 1 (Hemmings). Excused, 2 (Nishihara, Slom).

**SCRep. 2065 Higher Education on S.B. No. 2387**

The purpose of this measure is to allow the Board of Regents of the University of Hawaii to assess fees for campus parking at an open meeting subject to chapter 92, Hawaii Revised Statutes, but exempt from rule-making public notice, public hearing, and gubernatorial approval requirements under chapter 91, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the University of Hawaii System. Common Cause Hawaii, the University of Hawaii Student Caucus, and two individuals submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that this measure will make the Board of Regents of the University of Hawaii’s rule-making process regarding parking fees more efficient but also notes the concern that exempting the Board of Regents from certain requirements under chapter 91, Hawaii Revised Statutes, may reduce the frequency of public participation in the decision making process. Your Committee emphasizes that under this measure, the Board of Regents will still be required by chapter 92, Hawaii Revised Statutes, to publicize and provide ample notice to the University of Hawaii community and surrounding communities of any proposed changes to parking fees and that members of the University of Hawaii and surrounding communities will be allowed to provide input to the Board of Regents prior to the adoption of those changes.

Given the concerns raised by both students and community members, your Committee strongly encourages the University of Hawaii to make any and all attempts to ensure that affected parties are aware of and can participate in the public hearing process to consider parking fee changes.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2387 and recommends that 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 (Kokubun).

**SCRep. 2066 Higher Education on S.B. No. 2389**

The purpose of this measure is to repeal the sunset provision of Act 106, Session Laws of Hawaii 2008, to allow the University of Hawaii to continue transferring certain funds, with certain exceptions, into the University of Hawaii commercial enterprises revolving fund to finance the establishment of new commercial enterprises.

Testimony in support of this measure was submitted by the University of Hawaii System. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure makes permanent the University of Hawaii's authority to use various sources of funding to establish new commercial enterprises and continue the operation of existing enterprises. The anticipated additional revenue generated from these sources will further help to reduce the University's reliance on state funding sources.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2389 and recommends that 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 (Kokubun).

**SCRep. 2067 Health on S.B. No. 2371**

The purpose of this measure is to exclude any new provision enacted after July 1, 2010, from applying to accident-only, specified disease, hospital indemnity, long-term care, or other limited benefit health insurance policies unless the provision expressly states that it is applicable to these types of policies.

Your Committee received testimony in support of the intent of this measure with amendments from the American Family Life Assurance Company of Columbus (AFLAC) and the American Council of Life Insurers. Your Committee received testimony commenting on this measure from the Department of Commerce and Consumer Affairs.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that because the nature of limited benefit health insurance policies is fundamentally different from primary health insurance policies, the requirements imposed upon primary health insurance policies can be inappropriate for limited benefit health insurance policies and they should be accepted from future provisions. Your Committee further finds that this will reduce waste, duplicative requirements, and inapposite legislation from applying to limited benefit health insurance policies.

Your Committee has amended this measure by:

- (1) Including language that that adds Medicare supplement policies to the list of limited benefit health insurance policies that this measure applies to;
- (2) Including language to include disability, dental and vision policies to the list of limited benefit health insurance policies that this measure applies to; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2371, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2068 Health on S.B. No. 2343**

The purpose of this measure is to prohibit an insurer from requiring a doctor's referral for annual mammograms for covered individuals over forty years old.

Your Committee received testimony in support of this measure from Nursing Advocates and Mentors, Inc., the Asian American Network for Cancer Awareness Research and Training, Planned Parenthood of Hawaii, the Oahu Filipino Community Council, the Filipino American Citizens League, the Congress of Visayan Organizations, the Filipino Coalition for Solidarity, the Maui Filipino Working Group, the National Federation of Filipino American Associations Region XII, Filipinos for Affirmative Action, the Philippine Nurses Association of Hawaii, and two individual citizens. Your Committee received testimony in support of the intent of the measure with amendments from Kaiser Permanente and the American Cancer Society. The Department of Commerce and Consumer Affairs submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that women over forty are at higher risk for breast cancer and that annual mammograms would increase early detection. Your Committee further finds that, to minimize impediments that women face in getting mammograms, no-referral annual mammograms for women over forty need to be permitted.

Your Committee has amended this measure by:

- (1) Clarifying that the screening exam mentioned in the measure does not include a follow up exam.
- (2) Mandating that the results of the no-referral mammograms be sent to the patient's primary care physician or a physician designated by 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. 2343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2343, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2069 (Joint/Majority) Health and Human Services on S.B. No. 2031**

The purpose of this measure is to require certification of case managers by the Department of Commerce and Consumer Affairs.

Your Committees received testimony in support of the intent of the measure with amendments from The Queen's Medical Center, the National Association of Social Workers, Hawaii Chapter, and one individual. Your Committees received testimony in opposition to this measure from the Department of Public Safety, Catholic Charities Hawaii, and one individual. Your Committees received comments from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the measure as written is too vague and the intent of the measure is unclear.

Your Committees have amended this measure by deleting the contents of the existing measure and replacing it with H.B. No. 2154, which convenes a temporary health care case management task force to research the quality of care provided by case managers and case management agencies and to ensure that standards of practice are consistently followed.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2031, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2031, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 1 (Hemmings). Excused, 3 (Baker, Espero, Ihara).

**SCRep. 2070 Commerce and Consumer Protection on S.B. No. 2772**

The purpose of this measure is to clarify that the Board of Veterinary Examiners may revoke or suspend the license of or fine a licensee for violation of the recognized principles of medical ethics adopted by the Hawaii Veterinary Medical Association and the American Veterinary Medical Association.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, the Board of Veterinary Examiners, and the Hawaii Veterinary Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the statutes regulating ethical practice for veterinarians is currently silent as to an accepted code of conduct. Your Committee finds that the enforcement procedure of the Regulated Industries Complaints Office (RICO) for ethical issues in cases where there is no statutorily specified code of conduct is to look to generally accepted standards that may be ill-defined or unclear. Your Committee finds that this measure will provide clarity and certainty in enforcement and will remove ambiguity as to the appropriate ethical standards for veterinarians.

Your Committee has amended this measure by making a minor technical change to its language for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2772, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Ihara).

**SCRep. 2071 Commerce and Consumer Protection on S.B. No. 2669**

The purpose of this measure is to clarify and strengthen the Attorney General's authority to enforce Hawaii's charitable solicitation law.

Your Committee received testimony in support of this measure from the Department of the Attorney General, The Nature Conservancy, Hawai'i Alliance of Nonprofit Organizations, and the Hawaii Association of Independent Schools. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii's current law governing charitable organizations and solicitation by charitable organizations provides strong protections for consumers and prevents abuse by unscrupulous companies that seek to defraud consumers under false pretenses of charitable giving. Your Committee finds that the online, searchable listing of registered charities available at <http://hawaii.gov/ag/charities/> is particularly helpful in assisting members of the public in making informed decisions regarding charitable giving.



Your Committee finds that this measure will make it easier for the Department of the Attorney General to enforce the law, including by facilitating the subpoena of records from and investigation of out-of-state telemarketers who solicit funds from Hawaii residents for purported charitable purposes. Your Committee further finds that this measure will ease the compliance burden on charitable organizations that do follow the law by clarifying reporting requirements and streamlining the reporting process. Finally, your Committee finds that clarifications to exemptions from the current registration requirements are in accord with the intention of the law that these exemptions be narrowly tailored.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of the Attorney General shall serve as agent for purposes of service of process only for out-of-state charitable organizations that do not have a registered agent with the Department of Commerce and Consumer Affairs;
- (2) Clarifying that the registration exemption for private schools includes schools that are licensed or accredited by a specified licensing or accrediting organization;
- (3) Adding the National Association for the Education of Young Children to the list of specified licensing or accrediting organizations for private schools; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and accuracy in its language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2669, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 2072 (Majority) Commerce and Consumer Protection on S.B. No. 2020**

The purpose of this measure is to maintain a fair and reasonable standard for lease provisions in long term industrial and commercial ground leases by extending the effective date of Act 189, Session Laws of Hawaii 2009, to June 30, 2015.

Your Committee received testimony in support of this measure from Grapac Properties; Citizens for Fair Valuation; A.L. Kilgo Company, Inc; Central Park Community Association; GP Roadway Solutions; Grace Pacific Corporation; Inter-Island Solar Supply; Mutual Plumbing Supply; Servco Pacific Inc.; McCully Works/Mauna Kea Orchids; Sawdust; Bacon-Universal Company, Inc.; Plywood Hawaii; Kakilepo, LLC; Pacific Jobbers Warehouse, Inc.; MW Commercial Realty, Inc.; Big Rock Manufacturing Inc.; and thirteen private citizens. Your Committee received a petition in support of this measure signed by eight private citizens. Testimony in opposition to this measure was received from the Land Use Research Foundation of Hawaii; Reit Management & Research, LLC; and Hawai'i Association of Realtors. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the conditions that prompted the passage of Act 189, Session Laws of Hawaii 2009, remain in effect. The health and continued solvency of small businesses remain vital to the economic stability of the State. In addition, the major lessor of commercial and industrial property in the State has continued to resist Act 189's mandate to honor "fair and reasonable" provisions in existing commercial and industrial leases, as evidenced by the filing of a lawsuit in federal district court challenging the constitutionality of Act 189, and has engaged in additional practices contrary to good corporate citizenship. Since the purpose of Act 189, to alleviate the economic burden on lessees of certain commercial and industrial properties by removing barriers to free and fair rent negotiations, remains relevant, your Committee finds that the extension of Act 189's effective date contained in this measure is necessary for the economic health of the State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2020 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 2 (Ige, Ihara).

**SCRep. 2073 (Majority) Human Services on S.B. No. 2098**

The purpose of this measure is to statutorily establish a joint legislative keiki caucus and a joint legislative kupuna caucus.

Testimony in support of this measure was submitted by Association for the Advancement of Retired Persons and the Hawaii Alliance for Retired Americans. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that with relation to the legislative process both the keiki and kupuna caucuses serve the integral functions of information gathering, problem solving, making recommendations for change, and hearing the voice of persons who may otherwise not be heard for their respective constituent groups. Statutorily establishing these caucuses ensure that the needs and interests of the young and elderly will have consistent and permanent support within the Legislature.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2098 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 2. Noes, 1 (Hemmings). Excused, 1 (Ihara).

**SCRep. 2074 Human Services on S.B. No. 2064**



The purpose of this measure is to mandate that public events related to Children and Youth Day be held on the grounds of the State Capitol on the first day in October of each year.

Testimony in support of this measure was submitted by Good Beginnings Alliance, Hawaii Youth Services Network, and the National Association of Social Workers, Hawaii Chapter. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Children and Youth Day is an ongoing celebration that enables families and children to learn about many community resources available to them, enjoy family oriented activities, and encourages young people to think about how to make Hawaii better.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2064 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 2075 Human Services on S.B. No. 2078**

The purpose of this measure is to allow minors to give informed consent to emergency shelter and other services when a parent or guardian is either unavailable to consent or refuses to grant consent.

Testimony in support of this measure was submitted by the American Civil Liberties Union of Hawaii, Hale Kipa, and the Hawaii Youth Services Network. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that minors are faced with the possibility of being homeless when they flee, voluntarily or involuntarily, from home. At present, they are not allowed to enter an emergency shelter due to their age. In some cases, when the parents are asked to consent to a minor being housed in a shelter, the parents refuse. Your Committee also finds that it is in the best interests of the community to allow minors to be housed in emergency shelters rather than turned away.

Your Committee has made technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2078, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 2076 Human Services on S.B. No. 2226**

The purpose of this measure is to create and implement a Silver Alert Program to be operated concurrently with the Maile Amber Alert Program to the greatest extent possible.

Testimony in support of this measure was provided by the National Association of Social Workers, Hawaii Chapter, the Policy Advisory Board for Elder Affairs, and one individual.

Testimony in opposition to this measure was given by the Department of the Attorney General, the Honolulu Police Department, and the Maui Police Department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the intent and purpose of this measure are important to the community but that the Silver Alert program may not be the most effective nor cost-efficient way to address the issue. Your Committee also finds that there may be an inordinate amount of time trying to find out who the lost or missing elders are when they are found as well as how to help them find their homes. Your Committee further finds that it would be a more efficient use of time and resources to utilize equipment and procedures already being developed by the Department of the Attorney General to address this problem, and that working in conjunction with the county police departments would be the most effective way to develop a missing senior citizen alert program.

Accordingly, your Committee has amended this measure by replacing its contents with language creating a new temporary task force made up of various contributing agencies which will collaborate to build, develop, and implement a system for creating a database of senior citizens to be used to identify them if they are missing or if a disoriented senior citizen is found and is unable to remember his or her identity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2226, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 2077 Tourism on S.B. No. 2607**

The purpose of this measure is to clarify requirements for activity providers and activity desks, by:

- (1) Establishing record keeping requirements for client trust accounts;
- (2) Requiring registration numbers on all advertising materials, and prohibiting an activity desk from booking or placing a reservation for activities until full payment for the activity is received or direct payment is arranged;

- (3) Clarifying that all sums paid to an activity desk for activities furnished by an activity provider shall be held in trust for the benefit of the person making the payment and the activity provider; and
- (4) Repealing the authority to substitute a bond or letter of credit for a client trust account.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs; Activities & Attractions Association of Hawaii; Safari Aviation Inc.; and Maui Classic Charters, Inc. Testimony in opposition was submitted by Activity Link Systems, LLC. Comments were submitted by Paradise Cruise, Ltd.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will assist the Regulated Industries Complaints Office in conducting a thorough investigation of possible violations in an expeditious manner and will provide guidance to registrants as to how long records must be maintained. In addition, the amendments will ensure that an activity desk does not book reservations with providers until it receives full payment or where direct payment is made to the activity provider at the time of the activity; the current law does not address this situation.

Your Committee understands that the industry is continuing discussions regarding the repeal of the requirement for a performance bond and irrevocable letter of credit.

Your Committee has amended this measure by:

- (1) Clarifying that an activity desk is prohibited from failing to obtain full payment for activities prior to or at the time activity reservations are booked or placed with the activity provider, or within three business days, except where the reservation specifically provides for direct payment of the amounts owed;
- (2) Deleting the repeal of the requirement for a performance bond and irrevocable letter of credit; and
- (3) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2607, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 2078 Energy and Environment on S.B. No. 2817**

The purpose of this measure is to clarify that the rules of a private association of homeowners adopted regarding the placement of solar energy devices may not render the device more than twenty-five per cent less efficient, increase the cost of installation, maintenance, or removal of the device by more than fifteen per cent, or require an encumbrance on title.

Testimony in support of the measure was submitted by two private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that clarification of existing laws regarding private restrictions on placement of solar energy devices is needed, because some homeowners associations may, by rule, put up obstacles for people who wish to install solar water heaters and photovoltaic systems on their single-family dwellings or townhouses.

Your Committee has amended this measure by clarifying the language that describes the prohibitions on private entity rules to reflect how such rules might impact the efficiency or cost of a solar energy device.

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. 2817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2817, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Kokubun).

**SCRep. 2079 Energy and Environment on S.B. No. 2407**

The purpose of this measure is to establish a reduction of a residential electric bill for residential electric meters on islands with a population under 10,000 on which renewable electric energy is generated and exported.

Comments on this measure were submitted by one state agency and one private organization.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would provide a credit to Lanai and Molokai electricity users if these islands export electricity for consumption on another island. As noted in testimony, this would involve the subsidization of the electricity rates on such islands by customers located on other islands, among other issues to be addressed. Your Committee further finds that this means of providing some compensation to residents of an island, which may host a large energy project that exports most of the energy to another island, is an alternative requiring further discussion.

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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2407, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2407, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Kokubun).

**SCRep. 2080 Energy and Environment on S.B. No. 2357**

The purpose of this measure is to establish renewable portfolio standards for natural gas utility companies with oversight by the Public Utilities Commission.

Testimony in support of this measure was submitted by three organizations. One state agency supports the intent, and one state agency submitted comments. Testimony in opposition was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Gas Company has publicly stated its commitment to using renewable energy sources for the production of synthetic natural gas, and aims in five years to be deriving fifty per cent from renewable energy sources. Presently, five per cent of the Company's production at its Campbell Industrial Park plant is from agricultural feedstocks. Your Committee recognizes The Gas Company's concerns about being required to meet the same renewable portfolio standards as electric utility companies. Your Committee finds that despite The Gas Company's public commitment, the Public Utilities Commission and the Legislature need to carefully monitor the voluntary actions taken by The Gas Company. This monitoring will help ensure the Legislature is able to determine the State's progress toward meeting our Hawaii Clean Energy Initiative goal of seventy per cent clean, renewable energy by 2030.

Your Committee has amended this measure by removing the contents of the measure and replacing it with a new section to be added to chapter 269, Hawaii Revised Statutes, to:

- (1) Require the natural gas utility companies to annually report to the Public Utilities Commission the:
  - (A) Percentage of natural gas products sold and distributed in the State derived from renewable energy and the percentage from fossil fuels; and
  - (B) The quantity and energy value of natural gas products derived from renewable energy and the quantity and energy value from fossil fuels;
- (2) Require the Public Utilities Commission to submit a copy of the annual report to the Legislature; and
- (3) Define "renewable energy" to include non-petroleum feedstock appropriate for the production of synthetic natural gas.

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. 2357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2357, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Ihara, Kokubun).

**SCRep. 2081 (Majority) Energy and Environment on S.B. No. 2361**

The purpose of this measure is to require telephone directories to be distributed only to persons who have signed a written authorization to receive the directory.

Testimony in support was submitted by one organization and one individual. Three organizations submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Oahu's solid waste has increased at ten times the rate of population growth, thus, strict measures to reduce Hawaii's waste stream are essential. However, your Committee recognizes the efforts of telephone directory distributors to reduce waste through the implementation of opt-out programs and recycling. Approximately fourteen thousand local businesses advertise in the Hawaiian Telcom Yellow Pages, and studies have found that eighty-five per cent of adults reference telephone directories at least once per year. Your Committee believes this measure provides users ample opportunity to continue receiving telephone directories, while minimizing the number of unwanted telephone directories.

Your Committee has amended this measure by exempting telephone directory distributors that implement opt-out or opt-in 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 S.B. No. 2361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2361, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Hemmings). Excused, 3 (English, Ihara, Kokubun).

**SCRep. 2082 (Majority) Energy and Environment on S.B. No. 2356**

The purpose of this measure is to restrict the use of leaf blowers to reduce noise and air pollution in the State. Specifically, this measure prohibits:

- (1) The use of gas-powered leaf blowers at any time;
- (2) The use of leaf blowers in or near residential zones, except within specified time periods; and
- (3) Leaf blowing operations from blowing debris onto adjacent property without permission.

Testimony in support of the measure was submitted by one organization and nine individuals. Six individuals support the intent of the measure. One county agency and two individuals submitted comments, and testimony in opposition was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Many residents in high density areas complain about the noise, smell, and dust created by leaf blowers. The noise of leaf blowers interfere with neighbors' ability to watch television, sleep, and talk on the phone. Additionally, some leaf blower users are inconsiderate and blow dust and debris into public rights-of-way and into neighbors' open windows. Your Committee finds that numerous studies have shown that home gardeners can clean the same amount of space with more speed and accuracy using a rake and broom than using any kind of leaf blower. However, your Committee recognizes the concerns raised by the City and County of Honolulu Department of Parks and Recreation when cleaning large parcels of land. This measure strikes a balance between the need to use leaf blowers in a considerate way and the neighbors whose daily lives are affected by the use of those leaf blowers.

Your Committee has amended this measure by:

- (1) Exempting government entities from the leaf blower restrictions;
- (2) Prohibiting the use of leaf blowers on designated state holidays;
- (3) Amending the purpose section to conform to the changes; and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2356, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Hemmings). Excused, 3 (English, Ihara, Kokubun).

**SCRep. 2083 Commerce and Consumer Protection on S.B. No. 2809**

The purpose of this measure is to ensure adequate funding for the Public Utilities Commission and the Division of Consumer Advocacy, including funding to fully implement the reorganization of both agencies mandated by Act 177 and Act 183, Session Laws of Hawaii 2007.

Your Committee received testimony in support of this measure from Hawaii Transportation Association, Blue Planet Foundation, Hawaiian Electric Company, Inc., Hawaii Energy Policy Forum, and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will ensure that the Public Utilities Commission and the Division of Consumer Advocacy have sufficient funding to allow those agencies to perform their statutory duties and to fully enact the reorganization plans required by Acts 177 and 183, Session Laws of Hawaii 2007. Your Committee finds that the Public Utilities Commission and the Division of Consumer Advocacy serve an essential function by regulating the electrical, natural gas, telecommunications, water, wastewater, and transportation industries. In addition, the recent implementation of the State's clean energy initiative has increased the workload of both agencies while, at the same time, funding and staff positions have been reduced. Your Committee notes that all moneys appropriated by this measure are appropriated from the Public Utilities Commission Special Fund, which is funded by fees paid by regulated industries to offset the costs of their own regulation.

Your Committee has amended this measure by making nonsubstantive, technical changes for the purposes of clarity and consistency in its language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2809, 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 (Ige, Ihara).

**SCRep. 2084 Commerce and Consumer Protection on S.B. No. 2372**

The purpose of this measure is to allow the Legislature, under specified conditions, to waive the requirement that the Auditor perform a sunrise review before new regulatory measures may be enacted by the Legislature.

Your Committee received testimony in support of this measure from the American Cancer Society Hawai'i Pacific, Inc. and the Hawaii Athletic Trainers' Association. Testimony with comments on this measure was received from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides reasonable and appropriate legislative flexibility to address critical public health, safety, and welfare needs in the State. Your Committee notes that the Auditor generally performs exemplary work, but there have been instances where the Auditor has failed to provide required reviews in a timely fashion or where the need to wait for a review has unnecessarily delayed the implementation of needed regulation. Your Committee notes that the services of many health professionals

as well as new and emerging medical technologies and procedures are not eligible for reimbursement from health insurers without regulatory measures such as licensing or certification in place. Your Committee finds that, under these circumstances, the requirement of an Auditor's review creates an unnecessary barrier to the availability of important services for the people of Hawaii.

Your Committee notes that the Auditor's sunrise review required under the existing law encompasses only regulatory measures that have already been proposed through legislation. Your Committee finds that the legislative process provides ample opportunity for information gathering and analysis, especially in light of the extensive availability of information in the electronic age. Your Committee finds that in this context, an Auditor's review is not uniquely necessary for the Legislature to make informed and well-considered decisions. Finally, your Committee finds that this measure helps to protect Hawaii's regulatory infrastructure from unpredictable interference by outside circumstances such as the State's current economic crisis which has forced state employee layoffs, office closures, and major reductions in services.

Your Committee has amended this measure by making minor technical changes for the purposes of grammatical clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2372, 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 (Ige, Ihara).

**SCRep. 2085 Energy and Environment on S.B. No. 2544**

The purpose of this measure is to extend the lapse date for the authorization to issue special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC, from June 30, 2010, to June 28, 2015.

Testimony in support of this measure was submitted by one private organization and one private corporation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the special purpose revenue bonds (SPRBs) in this measure will provide a portion of the funding for the design and construction of a seawater air conditioning district cooling system on Oahu, which will serve more than 14,000,000 square feet of downtown Honolulu office, residential, and retail space.

In 2005, the Legislature authorized \$48,000,000 in SPRBs for the project, with an expiration date for the SPRBs in 2010. Since that time, unprecedented disruptions in the financial markets have made it prudent to postpone the sale of SPRBs. Your Committee understands that current markets have improved substantially and there is significant interest in financing this renewable energy project. In addition to State of Hawaii SPRBs, the balance of funding consists of \$10,750,000 in local and offshore first round equity investment completed in January of 2008, future taxable bonds, and a second round of equity investment. With an anticipated construction start in the fourth quarter of this year, the company expects to use all of its authorized SPRBs within the next three years.

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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2544, 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 (Green, Ihara, Kokubun).

**SCRep. 2086 Energy and Environment on S.B. No. 2420**

The purpose of this measure is to include dietary supplement beverage containers in the deposit beverage container program.

Testimony in support of this measure was submitted by one private organization and two individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that adding dietary supplement liquids, sometimes known as energy drinks, to the deposit beverage container program would result in additional income for the program and further improve recycling rates.

Your Committee also finds Hawaii's recycling rate for beverage containers has reached eighty per cent, and that while commendable, this can be improved. In addition to dietary supplement beverages, wine and hard liquor represent a substantial market and the containers for those products currently are ending up in the landfills.

Your Committee has amended this measure by incorporating language from S.B. No. 2360, to add hard spirits and wine containers to 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 S.B. No. 2420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2420, 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 (English, Ihara, Kokubun).

**SCRep. 2087 Energy and Environment on S.B. No. 2563**

The purpose of this measure is to amend the lead by example goals of state energy efficiency to target thirty per cent energy efficiency by 2030.



Testimony in support of this measure was submitted by one private organization.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that currently the goal of achieving alternate fuels standards requires the State to facilitate the development of alternate fuels and support attainment of a statewide alternate fuel standard of ten per cent of highway fuel by 2010, fifteen per cent by 2015, and twenty per cent by 2020.

Your Committee is strongly supportive of this measure, which is endorsed by the Hawai'i Clean Energy Initiative, which would continue and expand the State's commitment to achieving an alternative fuels standard of thirty per cent of highway fuel by 2030.

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. 2563 and recommends that 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 (Green, Ihara, Kokubun).

**SCRep. 2088 Energy and Environment on S.B. No. 2926**

The purpose of this measure is to authorize issuance of up to \$40,000,000 in special purpose revenue bonds to assist Carbon Bio-Engineers Inc., with the establishment of cogeneration and related energy-production facilities at various locations in the State.

Testimony in support of this measure was submitted by one homestead association, one private organization, and two businesses. One state agency submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee understands that Carbon Bio-Engineers Inc. will be utilizing a patented technology developed at the Hawaii Natural Energy Institute, University of Hawaii, to reduce various waste streams to useful, high-yield marketable products. In addition, the project will contribute to the standards projected for cogeneration facilities by the Hawai'i Clean Energy Initiative, and will provide employment where the facilities are located.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of 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. 2926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2926, 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 (Green, Ihara, Kokubun).

**SCRep. 2089 Human Services on S.B. No. 2067**

The purpose of this measure is to require the Department of Human Services to provide Medicaid presumptive eligibility to patients who have been waitlisted for long-term care, as well as conduct a study of a computerized Medicaid application system to alleviate the length of time it takes to process Medicaid applications.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii, Hawai'i Pacific Health, Kaiser Permanente, The Queen's Medical Center, The Arc of Kona, and the Hawaii Disability Rights Center. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon further consideration, your Committee finds that in the interests of efficiency, it is more appropriate to have the Department of Human Services submit a one-page executive summary on the results of the application of Medicaid presumptive eligibility.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Department of Human Services to submit a one-page executive summary, rather than a report, to the Legislature regarding the impact of Medicaid presumptive eligibility on the waitlist of patients awaiting transfer to a long-term care facility, and other issues related to Medicaid presumptive eligibility; and
- (2) Making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2067, 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. 2090 Human Services on S.B. No. 2049**

The purpose of this measure is to establish a Vocational Rehabilitation Division within the Department of Human Services and place services for the blind or deaf under this new division.

The measure also requires the Department of Human Services to develop a strategic plan to restructure its services to the deaf, hard-of-hearing, and deaf-blind persons through a comprehensive service center.



Testimony in support of this measure was submitted by the Disability and Communication Access Board, The Arc of Kona, and one individual. Testimony in opposition to this measure was submitted by the Department of Human Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that to avoid an issue regarding the separation of powers doctrine, instead of attempting to create a Vocational Rehabilitation Division within the Department of Human Services, it would be prudent to include wording that only allows for the deaf or the blind to obtain rehabilitation and vocational services under the Department of Human Services.

Accordingly, your Committee has amended the measure by deleting the language that establishes a new division. Your Committee has also made technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2049, 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 (Ihara).

**SCRep. 2091 (Joint) Higher Education and Education and Housing on S.B. No. 2649**

The purpose of this measure is to extend the sunset provision in Act 138, Session Laws of Hawaii 2005, to allow the University of Hawaii to continue the construction or renovation of housing units on its campuses.

Testimony in support of this measure was submitted by the University of Hawaii System. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the University of Hawaii has made good progress on the renovation of several of its housing units, including the completion of Frear Hall and improvements to other facilities, using proceeds of revenue bonds issued in the amount of \$100,000,000. Of the original amount issued, \$16,500,000 remains unencumbered. This measure extends the authorization to encumber these funds until June 30, 2012, to allow the University of Hawaii to continue important renovations and improvements to student housing.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2649, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2649, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Baker, Chun Oakland, Slom, Taniguchi, Tsutsui).

**SCRep. 2092 Health on S.B. No. 2267**

The purpose of this measure is to allow the Disability and Communication Access Board to charge a fee, and establishes a temporary fee board, to defray expenses of reviewing construction plans to ensure accessibility by persons with disabilities.

Your Committee received testimony in support of this measure from Island Pacific Architecture, Inc., Erskine Architects, Inc., and three individuals. Testimony in opposition was received from the County of Hawaii Office of Housing and Community Development. Testimony with comments on this measure was received from two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the reviews conducted by the Disability and Communication Access Board are valuable to the state. Your Committee further finds that charging a reasonable fee based on the size of the project will not be an undue burden and will help sustain this valuable service.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2267, 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 (Hemmings).

**SCRep. 2093 Health on S.B. No. 2274**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawaii Pacific Health in financing, refinancing, and reimbursing costs related to the acquisition or construction of health care facilities.

Your Committee received testimony in support of this measure from the Queen's Health Systems, Hawaii Pacific Health, the Healthcare Association of Hawaii, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii Pacific Health will use the revenues derived from the issuance of special purpose revenue bonds to refinance an existing bank loan issued to refund tax exempt bonds, finance the renovation of its hospital facilities, and purchase medical equipment.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2274, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2274, 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 (Hemmings).

**SCRep. 2094 Labor on S.B. No. 2326**

The purpose of this measure is to require that service contracts with governmental agencies that are in excess of \$25,000 compensate employees at a rate that is not less than the wages paid to public officers and employees for similar work performed in the State of Hawaii.

Testimony in support of this measure was submitted by three private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that some ambiguity currently exists on private contracts with governmental agencies regarding the rate of compensation. Your Committee also finds that by requiring service contracts with governmental agencies exceeding \$25,000 to provide compensation not less than the wages paid to public officers and employees for similar work performed in the State of Hawaii will provide clarity to the issue of compensation for applicable service contracts.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2326 and recommends that 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. 2095 (Joint/Majority) Health and Human Services on S.B. No. 2466**

The purpose of this measure is to appropriate funds as a state match for the establishment and administration of the United States Department of Agriculture's Women and Infant Children Farmers' Market Nutrition Program.

Your Committees received testimony in support of this measure from the Hawaii Nutrition and Physical Activity Coalition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will encourage lower income women to buy fresh produce which will improve their health and the health of their children while supporting our local farmers and benefitting the local economy.

Your Committees have amended this measure by:

- (1) Appropriating funds out of the Healthy Hawaii Initiative rather than the general fund; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2466, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2466, 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, 2 (Baker, Ihara).

**SCRep. 2096 (Majority) Labor on S.B. No. 2528**

The purpose of this measure is to authorize voluntary severances or special retirement incentive benefits to state employees who elect to voluntarily separate from service when their position is identified for abolishment or when they are directly affected by a reduction-in-force or workforce restructuring plan.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by one state agency and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that allowing a state employee to qualify for special retirement incentive benefits prior to reaching the current age and service requirements identified in sections 88-73, 88-281, and 88-331, Hawaii Revised Statutes, creates a larger unfunded actuarial accrued liability for the Employees' Retirement System.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2528, 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 (Bunda, Hee).

**SCRep. 2097 (Majority) Labor on S.B. No. 2833**

The purpose of this measure is to:

- (1) Authorize the issuance of pension obligation bonds to fund the employer contributions of the State and counties to the Employees' Retirement System to reduce its unfunded actuarial accrued liability; and
- (2) Appropriate funds for the payment of the employers' contribution to the Employees' Retirement System.

Testimony in support of this measure was submitted by one private organization. Testimony in support of the intent of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the issuance of pension obligation bonds will create an additional liability for the State that would require fixed debt service payments over a long period. Your Committee also finds that, in accordance with section 88-122, Hawaii Revised Statutes, the amortization of the unfunded accrued actuarial liability for State employees is currently included in the assessment rate for the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2833, 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 (Taniguchi). Noes, 1 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 2098 (Joint) Labor and Judiciary and Government Operations on S.B. No. 2061**

The purpose of this measure is to allow bidders and their subcontractors who are registered under an apprenticeship agreement with the Department of Labor and Industrial Relations to benefit from a five per cent reduction in their bid amount on contracts for \$250,000 or more.

Testimony in support of this measure was submitted by five private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that subcontractors and apprentices provide the bulk of the workforce for the construction industry in Hawaii and a five per cent reduction in the bid amount for subcontractors will benefit the local economy and the apprenticeship and training programs within the State.

Your Committees have amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2061, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2061, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Gabbard, Hee).

**SCRep. 2099 (Majority) Commerce and Consumer Protection on S.B. No. 2022**

The purpose of this measure is to establish standards and procedures for the use of salvaged airbags in motor vehicles and to establish penalties for violations of those procedures.

Your Committee received testimony in opposition to this measure from the Alliance of Automobile Manufacturers, the Automotive Recyclers Association, and the Hawaii Automobile Dealers Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure contains worthy consumer protection and vehicle safety provisions, however, the portions of the measure that allow for the use of salvaged airbags are contrary to the measure's purpose of promoting automotive safety. Your Committee finds that salvaged airbags are unable to meet critical standards of safety assurance since a salvage yard environment cannot ensure proper storage or handling conditions and since there is no certifiable evidence demonstrating that salvaged airbags will function properly at the time they are needed. Your Committee finds that since there is currently no means of determining why a salvaged airbag did not deploy in a crash situation, including because of manufacturer's defect, the risks of using salvaged airbags is too great to allow the practice at this time.

Accordingly, your Committee has amended this measure by:

- (1) Deleting all provisions that permitted the installation of salvaged airbags in motor vehicles;
- (2) Deleting all provisions that imposed standards or created mandatory procedures for the installation of salvaged airbags;
- (3) Permitting the installer of a new airbag to submit to the vehicle owner a repair invoice that includes the parts number of the installed airbag as confirmation that the airbag installed in the vehicle is a new airbag;

- (3) Inserting a new section to prohibit the installation or reinstallation of a salvaged airbag as part of a vehicle inflatable occupant restraint system; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and accuracy in language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2022, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hemmings). Excused, 1 (Ihara).

**SCRep. 2100 Commerce and Consumer Protection on S.B. No. 2799**

The purpose of this measure is to allow an owner of real property to, upon the owner's death, pass the property directly to a beneficiary by means of a transfer on death deed.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation. Testimony with comments on this measure was received from the Judiciary. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow a decedent's beneficiary to avoid a costly and lengthy probate process through the use of a transfer on death deed. Your Committee finds that a property owner who executes a transfer on death deed retains control of the property during the owner's lifetime, including the power to transfer or encumber the property and to revoke the deed. Your Committee further finds that the beneficiary of a transfer on death deed is protected during the owner's lifetime because the deed does not convey any immediate interest in the property to the beneficiary during the owner's lifetime. Therefore, the property is not subject to partition or to seizure by the beneficiary's creditors and the property does not adversely affect the beneficiary's eligibility for public benefits, including Medicaid. Your Committee finds that transfer on death deeds are a valuable estate planning tool, especially for middle-income individuals whose primary or only asset is real property and who seek a simple means of transferring that asset to an heir without the need for a costly and time-consuming probate process.

Your Committee has amended this measure by making nonsubstantive technical changes to its language for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2799, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 2101 Commerce and Consumer Protection on S.B. No. 2842**

The purpose of this measure is to allow the establishment of perpetual trusts that are protected against some provisions of federal estate taxes and are protected against the claims of certain creditors.

Your Committee received testimony in support of this measure from First Hawaiian Bank. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would allow wealthy individuals to establish trusts within this State that are not subject to the rule against perpetuities in order to protect a portion of their liquid assets from the federal estate tax and from the claims of certain creditors. Your Committee finds that over half of the states have enacted laws that contain at least some provisions similar to this measure and that currently Alaska, Delaware, Nevada, and South Dakota have laws substantially similar to this measure. Your Committee finds that allowing the establishment of these types of trusts within the State creates the potential to attract investment, tax revenue, and white-collar financial jobs at no cost to the State.

Your Committee has amended this measure by making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 2102 Commerce and Consumer Protection on S.B. No. 2887**

The purpose of this measure is to streamline the process by which nonresident property owners pay taxes upon transfers of property located within the State.

Your Committee received testimony in support of this measure from American Resort Development Association-Hawaii, Marriott Vacation Club International, Inc., and Starwood Vacation Ownership. Testimony with comments was received from the Department of Taxation and Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure balances the needs of the State to effectively and efficiently operate its tax collections with the interest of a property owner in efficiently completing real estate transactions where no tax is owed, such as the sale of property at a loss in a foreclosure process. Your Committee further finds that this measure serves the goal of fair and efficient administration of the State's tax laws by providing that an individual's liability for failure to file upon the transfer of real property shall not exceed the amount of tax actually owed. Your Committee notes that this provision preserves the State's right to collect any applicable penalties and interest.

Your Committee has amended this measure by:

- (1) Clarifying that a transferee that acquires a deed in lieu of foreclosing on the property shall furnish an affidavit stating so to the Department of Taxation;
- (2) Adding a new provision that creates a de minimus exception to tax liability for a time share that does not exceed \$100,000 in value; and
- (3) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2887, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2887, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 2103 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2408**

The purpose of this measure is to amend the criteria for approval by the Hawaii Community Development Authority of substitute reserved housing projects to be constructed within and outside of the geographic boundaries of the Authority's jurisdiction.

Testimony in support of the measure was submitted by one state agency and one organization. One state agency supports the intent, and one organization submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure requires landowners and developers of Hawaii Community Development Authority lands, who choose to satisfy their reserved affordable housing requirements by constructing or causing to be constructed substitute reserved housing units, to construct those units on lands controlled by the Department of Hawaiian Home Lands. This mandate will provide more viable housing opportunities for the Department of Hawaiian Home Lands. Your Committee finds that this measure can also serve the needs of native Hawaiian families struggling to find adequate housing.

Your Committee has amended this measure by:

- (1) Reducing the reserved housing allowance for Department of Hawaiian Home Lands land to fifty per cent of the reserved housing requirement; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

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. 2408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2408, S.D. 1, and be referred to the Committee on Education and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Kokubun).

**SCRep. 2104 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2170**

The purpose of this measure is to discourage the practice of force feeding ducks for the production of foie gras by:

- (1) Prohibiting the sale or distribution in Hawaii of any product that is the result of force feeding a bird for the purpose of enlarging the bird's liver beyond normal size;
- (2) Establishing a fine of not more than \$10,000 for each separate offense; and
- (3) Authorizing the Department of Agriculture to adopt rules.

Testimony in support of this measure was submitted by five private organizations, and twenty-nine individuals. Testimony in opposition was submitted by one state agency, three private organizations, and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that currently two companies in the United States produce foie gras, one in California and one in New York. California adopted a ban in 2004, which will take effect in 2012, on the production and sale of foie gras that is produced using the method of force feeding. In response, the president of the only foie gras producer in California has publicly stated that his farm will find a humane method of producing foie gras prior to the ban taking effect.

Your Committee further finds that enacting a similar ban in Hawaii will ensure that producers of foie gras continue their commitment to more humane methods of production.

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. 2170 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Kokubun).

**SCRep. 2105 Public Safety and Military Affairs on S.B. No. 2533**

The purpose of this measure is to direct the Auditor to conduct a financial and management audit of the Department of Public Safety's (DPS) contracts with the Corrections Corporation of America and the Federal Detention Center.

Your Committee received testimony in support of this measure from the three nonprofit entities, two labor organizations, and six individuals. Testimony in opposition was received from one government entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Specifically, the audit will focus on a comparison, in terms of quality of programming, costs, and economic benefit to the State, of housing Hawaii inmates in mainland facilities and the Federal Detention Center in Honolulu, with housing Hawaii inmates in Hawaii facilities operated by the State.

Your Committee finds that a Department of Public Safety study, presented to the Legislature in 2008, indicated that a significant number of inmates housed in medium security prisons on the mainland and at the medium security Federal Detention Center should have been classified as minimum or community security. These inmates could have been housed at Kulani Correctional Facility and other underutilized facilities in Hawaii. However, DPS chose to pay a private vendor and the federal government an additional cost to house Hawaii inmates.

Your Committee further finds that the recent closure of Kulani Correctional Facility with its unique and needed programs, when considered with the fact that six of nine Hawaii correctional facilities are under capacity, raises the question of the cost-effectiveness of DPS's policy of contracting with the Corrections Corporation of America to house a substantial number of Hawaii inmates in mainland private prisons at significant cost to the State and to the detriment of Hawaii inmates whose consideration for parole has and will be delayed due to the absence at these facilities of programs needed by the inmates to complete their prescriptive programs.

The audit will:

- (1) Address the closure of the Kulani Correctional Facility as part of its analysis in conducting this comparison; and
- (2) Make a recommendation on whether the continued housing of Hawaii inmates in mainland facilities and in the Federal Detention Center in Honolulu is advisable, in view of the explicit requirements of the Community Safety Act of 2007 and its subsequent amendments.

The Auditor will report findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2533 and recommends that 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 (Gabbard, Hemmings).

**SCRep. 2106 Public Safety and Military Affairs on S.B. No. 2502**

The purpose of this measure is to make an appropriation to the Hawaii Civil Air Patrol for tsunami operations in Hawaii.

Your Committee received testimony in support of this measure from one government entity, two military entities, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that since the 1950s, tsunami warning has been the Hawaii Civil Air Patrol's primary mission in Hawaii. Recently, in October 2006, following the earthquake, Hawaii Civil Air Patrol units and crews assisted the Hawaii County civil defense by taking photographs of damaged sites. In November 2006, Hawaii Civil Air Patrol units flew tsunami watch sorties over north and west Oahu to warn beachgoers to evacuate. In January 2007, the Hawaii Civil Air Patrol alerted beachgoers on the Na Pali coast to the possibility of a tsunami. There is no other tsunami airborne warning capability in Hawaii outside the Hawaii Civil Air Patrol. In December 2008, the Hawaii Civil Air Patrol ran an aerial damage assessment mission to assist Kauai civil defense in gauging damage caused by recent storms and flooding.

Recently, the Hawaii Civil Air Patrol, Hawaii Wing has been downsized by one aircraft by their National Headquarters due to the minimum flying of their assigned aircraft. The number of tsunami training missions and training flights for the State of Hawaii has been minimized and the Hawaii Civil Air Patrol flies and trains only on the availability of state civil defense funds. Your Committee further finds that the Hawaii Civil Air Patrol requires state funding to allow it to continue its vital tsunami warning operations.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2502 and recommends that 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 (Gabbard, Hemmings).

**SCRep. 2107 Public Safety and Military Affairs on S.B. No. 2540**



The purpose of this measure is to direct the Department of Public Safety, working with Ohana Ho'opakele and other restorative justice groups, to prepare a plan for the creation of a pu'uhonua, or wellness center, on lands owned or controlled by the State, giving preference to the site formerly used as the Kulani Correctional Facility on the island of Hawaii.

Your Committee received testimony in support of this measure from three nonprofit entities. Testimony in opposition was received from one government entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the most recent information on the use of drugs, alcohol, and tobacco reveals a disturbing rise in the use of these substances among the native Hawaiian population, and in particular, by native Hawaiian youth. In fact, among high school students in the eighth and tenth grades, native Hawaiian children rank highest among all ethnic groups in the use of these substances.

Your Committee further finds that the greatest potential to stem the tide of this most horrific situation lies in culturally-based substance abuse treatment and intervention programs that take a holistic approach based upon cultural identity, spirituality, and strength to get to the underlying reasons for substance abuse to enable healing from within.

The site formerly used as the Kulani Correctional Facility in East Hawaii would be an ideal site for a wellness center. It is a place of deep spirituality for the native Hawaiian people; and, pragmatically, it has the infrastructure and historical precedence for use in sustainable living.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2540, 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 (Gabbard, Hemmings).

**SCRep. 2108 Commerce and Consumer Protection on S.B. No. 2699**

The purpose of this measure is to establish time limits for the restoration of forfeited chiropractor and real estate broker licenses.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, the Board of Chiropractic Examiners, the Real Estate Commission, Hawai'i Association of Realtors, and Hawaii State Chiropractic Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that current law does not include limits on the restoration periods for forfeited chiropractor and real estate broker licenses. Your Committee finds that limiting restoration periods for chiropractors and real estate brokers brings these professions into accord with the standards that are imposed on other professional licensees and serves the interest of consumer protection. Since the fields of both chiropractic medicine and real estate are subject to rapid changes from emerging technologies and methods and evolving regulatory standards, allowing for restoration beyond defined time limits may allow for the continued licensing of less-than-competent and able practitioners. Your Committee finds that requiring holders of a forfeited license to reapply as a new licensee will ensure that all licensees meet current standards of competency.

Your Committee has amended this measure by making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2699, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 2109 Commerce and Consumer Protection on S.B. No. 2812**

The purpose of this measure is to update the existing statutes regulating captive insurance companies in order that Hawaii may maintain its position as a leading domicile for captive insurance companies.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Captive Insurance Council, Beecher Carlson, and Willis Management (Hawaii). Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii is a leading domicile, both nationally and worldwide, for captive insurance. Your Committee further finds that the captive insurance market is an important factor in Hawaii's economy since the industry holds combined assets of approximately \$7,000,000,000, including approximately \$1,100,000,000 invested in Hawaii financial institutions, and spends approximately \$16,200,000 within the State for professional services and Board of Directors meetings. Your Committee notes that the amendments made by this measure preserve the authority of the Insurance Commissioner to regulate the captive insurance industry while increasing efficiency in the oversight system.

Your Committee has amended this measure by making technical, Nonsubstantive changes to its language for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2812, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Ihara).

**SCRep. 2110 Commerce and Consumer Protection on S.B. No. 2596**

The purpose of this measure is to expand the scope of group life insurance and group disability insurance that may be offered in the State.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the American Council of Life Insurers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is based on a model act developed by the National Association of Insurance Commissioners. Your Committee further finds that the adoption of model legislation in the present case is desirable because it creates uniformity in regulating a single product across multiple jurisdictions. Your Committee finds that this measure will allow the Insurance Commissioner to exercise discretion to approve the issuance of group life and disability insurance policies for non-traditional groups. Your Committee notes that the Insurance Commissioner retains the authority to disapprove the issuance of any group policy that is contrary to the public interest, that would not result in economies of acquisition or administration for the insured individuals, and that does not offer a reasonable benefit for the premium charged.

Your Committee has amended this measure by making a minor technical change for the purpose of grammatical accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2596, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 2111 Commerce and Consumer Protection on S.B. No. 2015**

The purpose of this measure is to clarify that the Public Utilities Commission shall treat retail intrastate telecommunications services as fully competitive.

Your Committee received testimony in support of this measure from Hawaiian Telecom. Testimony in opposition to this measure was received from Kona Kai ATM LLC and tw telecom-Hawaii. Testimony with comments on this measure was received from the Public Utilities Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure expands the opportunities for increased competition in the intrastate retail telecommunications market that were enabled by Act 180, Session Laws of Hawaii 2009. This measure will allow the Public Utilities Commission to consider additional telecommunications services such as private lines that transmit data between customer locations as fully competitive. Your Committee further finds that this measure applies only to retail rates, and does not affect wholesale telecommunications rates. Finally, your Committee finds that this measure leaves in place important consumer safeguards such as the provision of lifeline telephone services, carrier of last resort obligations, and service quality standards.

Your Committee has amended this measure by:

- (1) Clarifying that this measure applies to retail intrastate telecommunications services; and
- (2) Removing the reference to section 269-34, Hawaii Revised Statutes, so as to not unintentionally limit the application of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2015, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Ihara).

**SCRep. 2112 (Joint) Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2375**

The purpose of this measure is to prohibit vending activities at scenic lookouts that create or are in reckless disregard of creating a hazardous condition or a public nuisance.

Your Committees received testimony in support of this measure from the Departments of Land and Natural Resources and Transportation; Maui Prosecuting Attorney; Maui Police Department; and the Outdoor Circle. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that vending activities at scenic lookouts may create a menacing traffic congestion situation just as it does for vending along highways. However, your Committees have been informed that current practices allow vending at scenic lookouts if the vendor has a permit issued by the Department of Land and Natural Resources.

Your Committees have amended this measure to clarify that vending at scenic lookouts is permissible pursuant to a permit issued by the Department of Land and Natural Resources.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental 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. 2375, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2375, 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 (Bunda, Hemmings, Sлом).

**SCRep. 2113 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2524**

The purpose of this measure is to authorize the Governor to waive the requirements that the Molokai Island Burial Council membership include geographic region, development, and large property owner representatives.

Testimony in support of the measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Molokai Island Burial Council in recent years has been unable to meet the minimum ratio and membership requirements which apply to all burial councils. The inability of the Molokai Island Burial Council to meet and operate has effectively disabled the only process for redress for the native Hawaiian community to properly and legally pursue the appropriate identification, treatment, and protection of their ancestral burial sites. Your Committee finds that the geographic region requirement will become increasingly difficult to fulfill with regard to Kalaupapa, as the residents continue to age. This measure will ensure that the interested, active young people of Molokai that are willing to serve, have that opportunity.

Your Committee has amended this measure by clarifying that the Governor may waive all requirements for Molokai representatives including geographic region and development and large property owner interests.

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. 2524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2524, 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 (Fukunaga, Kokubun).

**SCRep. 2114 Ways and Means on H.B. No. 2162**

The purpose of this bill is to provide for the expenses of the Legislature, the Auditor, the Legislative Reference Bureau, the Hawaii State Ethics Commission, and the Office of the Ombudsman.

Considering the economic crisis facing the State, your Committee concurs with the reductions made in the House of Representatives to the following appropriations:

- (1) Reducing the appropriation for the Senate from \$8,025,681 to \$7,377,244;
- (2) Reducing the appropriation for the House of Representatives from \$11,403,163 to \$10,481,787;
- (3) Reducing the appropriation for the Office of the Auditor from \$2,619,685 to \$2,408,013;
- (4) Reducing the appropriation for the Legislative Reference Bureau from \$3,113,126 to \$2,861,633; and
- (5) Reducing the appropriation for the Office of the Ombudsman from \$1,060,728 to \$998,342.

Your Committee has amended the bill by further reducing the appropriation to the Hawaii State Ethics Commission from \$813,770 to \$813,170. This amount represents the correct appropriation as testified to by the Ethics Commission.

Your Committee received testimony in support of this measure from the Office of the Auditor, the Legislative Reference Bureau, the Hawaii State Ethics Commission, and the Ombudsman. Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2162, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2162, 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, 4 (Fukunaga, Hee, Kidani, Tokuda).

**SCRep. 2115 Commerce and Consumer Protection on S.B. No. 2018**

The purpose of this measure is to clarify the allowable amount that a payee or holder in due course may charge for a dishonored check by removing the requirement of a reasonableness analysis in determining the maximum penalty for a dishonored check.

Your Committee received testimony in support of this measure from the Consumer Data Industry Association and Retail Merchants of Hawaii. Testimony with comments on this measure was received from the Office of Consumer Protection. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii is one of only six states that currently imposes a reasonableness standard in its statutory penalties for dishonored checks. Your Committee notes that a similar reasonableness standard is currently the subject of multistate, class action litigation in another jurisdiction. In light of Hawaii's minority position and the lack of clarity expressed by the current statute, your Committee finds that it is in the best interest of consumers in the State to remove the current statutory requirement that penalties for every dishonored check be subject to an individualized reasonableness analysis. Your Committee further finds that Hawaii's maximum penalty of \$30 per returned check, which remains unchanged by this measure, is lower than the national average.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2018 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Ihara).

**SCRep. 2116 Commerce and Consumer Protection on S.B. No. 2016**

The purpose of this measure is to continue the ban on stranger oriented life insurance transactions through June 16, 2015.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, National Association of Life Insurance and Financial Advisors Hawaii, and the American Council of Life Insurers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a possibility of significant abuse in the stranger oriented life insurance market and that it is in the best interest of the State to continue to prevent the commodification of life insurance policies. Your Committee finds that the traditional life insurance market is based on the concept of an insurable interest between a policy holder and the person whose life is insured. This concept preserves the social purpose of life insurance and helps to insure that that life insurance product will not be abused. Your Committee finds that stranger oriented life insurance policies subvert this fundamental concept and allow gambling on human life.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2016 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 (Green, Ihara).

**SCRep. 2117 Commerce and Consumer Protection on S.B. No. 2017**

The purpose of this measure is to allow crop insurance adjusters to use an examination approved by the federal Risk Management Agency to fulfill the licensing examination requirement in section 431:9-222.5 of the Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the State Insurance Commissioner. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will improve adjuster proficiency for the highly specialized area of crop adjusting. Your Committee further finds that utilization of the examination approved by the federal Risk Management Agency helps ensure consistency and uniform standards among all states, thus improving their collective ability to uniformly regulate the business of insurance.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2017 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Ihara).

**SCRep. 2118 Commerce and Consumer Protection on S.B. No. 2602**

The purpose of this measure is to increase professionalism in the real estate industry by requiring real estate licensees to possess a high school diploma or its equivalent and by increasing a licensee's required continuing education hours from ten to twenty per biennium.

Your Committee received testimony in support of this measure from the Real Estate Commission, Hawai'i Association of Realtors, Hawaii League of Young Real Estate Professionals, Coldwell Banker, and Cobb Realty. Testimony in opposition to this measure was received from one private citizen. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will bring Hawaii's licensing requirements for real estate professionals into accord with the average requirements for the rest of the country. Your Committee finds that real estate professionals deal with a regulated market that changes dramatically and rapidly over short periods of time. Your Committee finds that formal continuing education requirements are an efficient means of ensuring that real estate licensees remain current in their knowledge of the legal and regulatory requirements of the industry. Your Committee further finds that continuing education requirements are an effective means of maintaining consistent standards of quality within the industry.

Your Committee finds that requiring a high school diploma or its equivalent is critical to maintaining high industry standards, especially in ensuring that licensees possess the competency to benefit from required continuing education. Your Committee is aware of the challenges faced by the Real Estate Commission in making determinations of equivalency for foreign-educated licensees. However, your Committee notes that minimum educational standards are a feature of most professional licensing regimes and that other regulatory bodies have been able to successfully overcome this challenge.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2602 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 2119 (Joint) Higher Education and Education and Housing on S.B. No. 2432**

The purpose of this measure is to repeal the law that establishes the Hawaii Institute for Educational Partnerships.

Testimony in support of this measure was submitted by the University of Hawaii at Manoa College of Education. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure reflects a recommendation made by the University of Hawaii at Manoa College of Education in its November 2009 Annual Report. The Hawaii Institute for Educational Partnerships has facilitated close working relationships between the College of Education and the Department of Education, as it was established to do. Your Committees find that many of the Institute's functions are currently being performed by the College of Education through its Manoa Partnerships and other programs. Your Committees support the cost-effectiveness and efficiency attained through this measure, especially in light of budget concerns.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2432 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 (Baker, Chun Oakland, Slom, Taniguchi, Tsutsui).

**SCRep. 2120 Transportation, International and Intergovernmental Affairs on S.B. No. 2759**

The purpose of this measure is to differentiate category (4) motor vehicles from commercial vehicles for purposes of driver licensing.

Your Committee received testimony in support of this measure from the Department of Transportation and Hawaii Transportation Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure clarifies category (4) vehicles as all motor vehicles in category (3) and any vehicle that is not a commercial vehicle.

Category (3) motor vehicles are defined as passenger cars of any gross vehicle weight rating, buses designed to transport fifteen or fewer occupants, and trucks and vans having a gross vehicle weight rating of fifteen thousand pounds or less.

Your Committee finds that operators of category (4) motor vehicles are not required to hold a commercial driver's license and are not subject to the federal disqualifications that apply to the holder of a commercial driver's license or operator of a commercial vehicle.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2759 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. 2121 Transportation, International and Intergovernmental Affairs on S.B. No. 2754**

The purpose of this measure is to enact statutory changes to the disqualification provisions applicable to persons who operate commercial motor vehicles in violation of an out-of-service order.

Specifically, this measure:

- (1) For vehicles transporting non-hazardous materials, extends the minimum period of disqualification for violations of an out-of-service order from ninety to one hundred eighty days for a first violation and from one to two years for a second violation; and
- (2) Clarifies that the disqualification provisions for out-of-service order violations involving vehicles transporting hazardous materials apply to vehicles required to be placarded under Title 49 Code of Federal Regulations, Part 172, Subpart F.

Your Committee received testimony in support of this measure from the Department of Transportation and the Hawaii Transportation Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has been informed that failure to enact this measure required by Federal Motor Carrier Safety Administration regulations could result in the loss of approximately \$4,500,000 or five per cent of federal-aid highway funds (based on fiscal year 2008-2009 funding) for the first year of noncompliance, and \$9,100,000 or ten per cent per year thereafter. In addition, Motor Carrier Safety Assistance Program grant funds, amounting to \$710,332 in fiscal year 2008-2009, could be withheld for each year of noncompliance.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2754 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. 2122 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2378**

The purpose of this measure is to provide for the election of the Office of Hawaiian Affairs board members through a system of nonpartisan primary and general elections.

Testimony in support was submitted by one organization and sixteen individuals. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes that studies have shown that incumbents for any political office have a distinct advantage over challengers. However, in Office of Hawaiian Affairs board elections, where there is no primary to narrow the list of candidates, the incumbents have an even greater advantage due to widespread name recognition and the number of challenger candidates. The 2006



general election ballot listed fourteen candidates for three at-large positions. In that election, more ballots were cast for candidates who did not win the election than for candidates who did win, but the votes were spread out among eleven candidates.

Your Committee finds that implementing a process of primary elections to narrow the field of candidates for Office of Hawaiian Affairs board positions, will provide the candidates an opportunity to conduct outreach and establish position platforms and instill in the voters a greater sense of accountability for their elected board members.

Your Committee has amended this measure by clarifying that the primary election shall narrow down the candidates for at-large seats to no more than twice the number of seats available for the general election ballot.

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. 2378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2378, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Kokubun).

**SCRep. 2123 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2781**

The purpose of this measure is to authorize the Legislature to designate, by concurrent resolution, certain agricultural lands as important agricultural lands, where the Legislature finds that the designation is necessary to protect agricultural lands, to promote diversified agriculture, or to control future growth, development, and land use.

Testimony in support of this measure was submitted by two private entities and two individuals. Testimony in opposition was submitted by one state agency, one private organization, and one business. One state agency submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that since the State's land use law was enacted in 1961, the lands most suited for intensive agricultural use have declined from 359,690 acres (class A, 125,160 acres; class B, 234,530 acres) in 1960 to 172,094 acres (class A, 56,653 acres; class B, 115,441 acres) in 2007.

Your Committee further finds that the inventory of lands that are suitable for agriculture is essentially fixed. Unlike other land uses that may be redirected through the development of infrastructure or other amenities, agricultural lands cannot be manufactured when the demand for the lands increases. It is therefore doubly important to protect this valuable and very finite resource, and to ensure that the State honors the mandate of Article XI, Section 3, of the State Constitution to "conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands."

Your Committee has amended this measure by:

- (1) Requiring the concurrent resolution to be adopted by a two-thirds vote of both houses of the Legislature;
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency; and
- (3) Amending the effective date to July 1, 2040 for the purpose of encouraging 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 S.B. No. 2781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2781, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Tokuda).

**SCRep. 2124 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2362**

The purpose of this measure is to require the Department of Land and Natural Resources to work in cooperation with the Department of Transportation and the Hawaii Tourism Authority to develop and air on incoming commercial flights to the State public service announcements about the State's fragile ecosystem and how to protect it.

Testimony in support of this measure was submitted by three organizations, and one state agency supports the intent. Two state agencies submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that passengers on incoming commercial flights watch public service announcements including commercial activity advertisements. Many visitors and residents take advantage of the advertised activities available in the State's ocean waters and beaches, and need to be properly informed of what to do if, for example, they come across a Hawaiian monk seal. The State needs to impress upon all those who enter the State the importance of taking care of our unique and fragile ecosystem.

Your Committees have amended this measure by:

- (1) Moving the project from the Department of Land and Natural Resources to the Hawaii Tourism Authority; and
- (2) Including a blank appropriation section to fund the project from the Hawaii Tourism Authority's tourism special fund.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the



intent and purpose of S.B. No. 2362, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2362, 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 (Bunda, Hemmings, Slom).

**SCRep. 2125 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2363**

The purpose of this measure is to require the Department of Land and Natural Resources in cooperation with the Department of Transportation to establish and maintain kiosks at each airport with information on the State's fragile ecosystem and how to protect it.

Testimony in support of this measure was submitted by one organization, and two state agencies submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that each airport has visitor information kiosks for commercial enterprises, but no information regarding the natural resources of the State. Many visitors and residents take advantage of the multitude of activities available in the State's ocean waters and beaches, and need to be properly informed of what to do if, for example, they come across a Hawaiian monk seal. The State needs to impress upon all those who enter the State the importance of taking care of our unique and fragile ecosystem.

Your Committees have amended this measure by:

- (1) Moving the project from the Department of Land and Natural Resources to the Hawaii Tourism Authority; and
- (2) Including a blank appropriation section to fund the project from the Hawaii Tourism Authority's tourism special fund.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2363, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2363, 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 (Bunda, Hemmings, Slom).

**SCRep. 2126 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2610**

The purpose of this measure is to require the Director of Taxation to provide the administrator of each county's real property assessment division with an image of all certificates of conveyances filed with the Bureau of Conveyances.

Testimony in support of this measure was submitted by four county agencies, and testimony in opposition was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The current method, whereby the county makes weekly pickups of the printed certificates from the Department of Taxation, is not efficient and would be greatly improved with electronic data transfers of the conveyance certificates filed with the Bureau of Conveyances. The Department of Taxation, which has already implemented a process to scan these documents, would no longer need to provide printed copies of these certificates to the counties. Additionally, the neighbor islands would be able to retrieve the documents directly rather than relying on the City and County of Honolulu's assessment offices. Your Committees find that receiving these documents in digital format would enable the counties to promptly track recorded ownership, encumbrances, restrictions, uses, and sales prices of real property for the purpose of determining real property tax assessments.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2610 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Bunda, Hemmings, Slom).

**SCRep. 2127 (Majority) Labor on S.B. No. 2393**

The purpose of this measure is to appropriate moneys to fund collective bargaining cost items for collective bargaining units (2), (3), (4), (6), (8), (9), and (13) relating to employer contributions to the Hawaii Employer-Union Health Benefits Trust Fund.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the negotiations between the Hawaii Government Employees' Association and the State concerning health plan contribution amounts to the Employer-Union Health Benefits Trust Fund have not been finalized or agreed upon. Your Committee also finds that establishing the employer health insurance premium contribution rate at sixty per cent of the premium cost would return the sharing of health plan premium costs between the State and employees of bargaining units (2), (3), (4), (6), (8), (9), and (13) to a more historical level.

Your Committee has amended this measure by:

- (1) Inserting special, federal, and other funding source categories for the appropriation;
- (2) Adding that the employer shall pay \$4.16 each month for every employee-beneficiary enrolled in the Employer-Union Health Benefits Trust Fund group life insurance plan;

- (3) Describing the rounding calculation used to determine the employer's monthly contribution when it is less than one hundred per cent of the monthly premium amount; and
- (4) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2393, 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 (Bunda, Hee).

**SCRep. 2128 (Majority) Labor on S.B. No. 2881**

The purpose of this measure is to:

- (1) Delete outdated provisions of law that disallowed the negotiation of cost items as defined in section 89-2, Hawaii Revised Statutes, for the biennium 1999 to 2001;
- (2) Delete the prohibition against negotiating benefits of the Hawaii Employer-Union Health Benefits Trust Fund or a Voluntary Employee's Beneficiary Association in collective bargaining negotiations;
- (3) Allow the procedures in section 89-11, Hawaii Revised Statutes, to be available to resolve an impasse in negotiations relating to the State and counties contribution to the Hawaii Employer-Union Health Benefits Trust Fund or Voluntary Employee's Beneficiary Association; and
- (4) Remove the authority and power of the Legislature to establish a contribution amount for the State and counties to the Hawaii Employer-Union Health Benefits Trust Fund.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by three state agencies and two county agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the health care options for employees enrolled under the Hawaii Employer-Union Health Benefits Trust Fund have become more costly and the employees are contributing a greater share than the employers. Your Committee also finds that authorizing employee labor unions to negotiate with employers on the amount of contributions and benefits paid to the Hawaii Employer-Union Health Benefits Trust Fund will result in more affordable health care plans for employees.

Your Committee has amended this measure by changing the effective date to include repeal and reenactment language.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2881, 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 (Bunda, Hee).

**SCRep. 2129 (Majority) Labor on S.B. No. 2884**

The purpose of this measure is to appropriate moneys to fund collective bargaining cost items for collective bargaining unit (10) relating to employer contributions to the Hawaii Employer-Union Health Benefits Trust Fund.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the negotiations between the United Public Workers and the State concerning health plan contribution amounts to the Employer-Union Health Benefits Trust Fund have not been finalized or agreed upon. Your Committee also finds that establishing the employer health insurance premium contribution rate at sixty per cent of the premium cost would return the sharing of health plan premium costs between the State and employees of bargaining unit (10) to a more historical level.

Your Committee has amended this measure by

- (1) Inserting special, federal, and other funding source categories for the appropriation;
- (2) Adding that the employer shall pay \$4.16 each month for every employee-beneficiary enrolled in the Employer-Union Health Benefits Trust Fund group life insurance plan;
- (3) Describing the rounding calculation used to determine the employer's monthly contribution when it is less than one hundred per cent of the monthly premium amount; and
- (4) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2884, 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 (Bunda, Hee).

**SCRep. 2130 Labor on S.B. No. 2691**

The purpose of this measure is to require that, beginning on March 1, 2011, all retirees and beneficiaries of the State Retirement System be paid by direct deposit on a monthly basis.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by two private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that requiring direct deposit for payment of benefits for retirees and beneficiaries of the Employees' Retirement System will streamline the processing of payments. Your Committee also finds that, in comparison to mailing checks, the implementation of payments by direct deposit will provide a cost savings to the State in the form of less postage, check printing and imaging costs, and bank fees.

Your Committee has amended this measure by:

- (1) Deleting the requirement that all retirees and beneficiaries of the State Retirement System be paid monthly beginning on March 1, 2011; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2691, 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 (Bunda, Hee).

**SCRep. 2131 (Joint) Energy and Environment and Education and Housing on S.B. No. 2613**

The purpose of this measure is to require the Department of Education to incorporate alternative energy use designs into the construction of new schools and into major renovations to existing schools.

Testimony in support of this measure was submitted by two private organizations and one business. One state agency submitted testimony in opposition.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that nationally, many schools are increasingly demonstrating environmental responsibility and realizing cost savings through green building. The U.S. Green Building Council has established the Leadership in Energy and Environmental Design (LEED) for schools rating system as a tool to set standards for the design and construction of schools. The LEED for schools rating system scores school buildings in the areas of sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. While a few Hawaii public school facilities, such as the Waipahu Intermediate School cafeteria and Ewa Makai Middle School, have already been LEED certified or registered to attain LEED certification, much more could be done.

Your Committees are strongly supportive of expanding alternative energy use in Hawaii's public school buildings in order to reduce Hawaii's dependence on imported fossil fuels and energy costs in the long term.

Your Committee has amended this measure for the purposes of further discussion by specifying that:

- (1) The requirement to incorporate alternative energy designs shall be for construction and renovations exceeding \$1,000,000; and
- (2) Alternative energy use in newly constructed or renovated school buildings shall generate a minimum of ten per cent of the building's total energy consumption.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2613, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2613, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, English, Ihara, Kokubun, Tsutsui).

**SCRep. 2132 Education and Housing on S.B. No. 2278**

The purpose of this measure is to amend the offense of criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after a reasonable request or warning to leave by housing authorities, excluding invited guests.

Testimony in support of this measure was submitted by one state agency and six individuals. Testimony in opposition to this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is intended to create greater deterrence and prevention against criminal activity in public housing projects. Your Committee has amended this measure to further deter criminal activity by applying criminal trespass in the first degree to invited guests who remain unlawfully in or upon public housing project premises after a reasonable request or warning to leave. Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2278, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 2133 Economic Development and Technology on S.B. No. 2775**

The purpose of this measure is to clarify provisions related to publicity rights by:

- (1) Renaming “publicity rights trade name registration” as “publicity rights name registration” under chapter 482P, Hawaii Revised Statutes; and
- (2) Giving the Department of Commerce and Consumer Affairs discretion to implement the law in a manner that complies with the law’s legislative intent.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs.

Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that this measure will prevent confusion for those who wish to register publicity rights names, by authorizing the Department of Commerce and Consumer Affairs to administer a publicity rights name registration separate from traditional trade name registration. In addition, the measure clarifies that the Department’s role is purely ministerial in nature and that the Director has discretion to implement the registration procedures in an efficient manner. Your Committee is supportive of these changes, which are intended to benefit the public.

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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2775, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 2134 Economic Development and Technology on S.B. No. 2664**

The purpose of this measure is to amend the offenses of identity theft and the definition of “personal information” in chapter 708, Hawaii Revised Statutes, to clarify that the offenses of identity theft include the transmission of personal information of an actual person, alive or dead, or a fictitious person.

Testimony in support of this measure was submitted by the Department of the Attorney General; Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, City and County of Honolulu; Office of the Prosecuting Attorney, County of Kauai; and Office of the Prosecuting Attorney, County of Hawaii.

Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that this measure will help protect the public from being victimized by offenders who use the personal information of fictitious or dead persons to commit identity theft. As a result of the Hawaii Supreme Court’s decision in State v. Woodfall, 120 Haw. 387 (2009), state and county prosecutors currently cannot pursue identity theft cases involving the transmission of personal information of a fictitious person. Identity Theft in the Second Degree currently requires the transmission of personal information of an actual person, regardless of the definition of “personal information.” This measure resolves the conflict by amending the definition of “personal information”, and clarifying the provisions of Identity Theft in the First, Second, and Third Degrees.

Your Committee is in strong support of this measure to strengthen Hawaii’s identity theft law.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2664 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 2135 Economic Development and Technology on S.B. No. 2710**

The purpose of this measure is to facilitate public meetings of a board or commission by expanding the current authority to meet by videoconference to meet by interactive conference technology, which includes any form of audio or visual conference technology.

Testimony in support of this measure was submitted by the State Boards and Commissions Manager, Board of Education, Department of Human Services, State Council on Developmental Disabilities, Hawaii Strategic Development Corporation, High Technology Development Corporation, Office of Veterans Services, Policy Advisory Board for Elder Affairs, and Hawaii Dental Hygienists’ Association. The Office of Information Practices submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that interactive conference technology would assist Hawaii’s hundreds of boards and commissions by providing a less restrictive alternative in conducting meetings. This is particularly critical for boards and commissions with representatives from neighbor islands, as the costs of travel related expenses, which are generally reimbursed to the members, have increased dramatically in recent years. In addition, the current staffing and operational cuts in state agency budgets have further limited travel and other costs for board and commission members and staff who support these activities. Your Committee believes that

the use of interactive conference technology would decrease costs while assisting the members of state boards and commissions, as well as the general public, in increasing participation for all.

Your Committee has considered the request to add language to allow meetings to continue if a remote participant voluntarily terminates an interactive connection and a quorum for the meeting is still present and connected. Your Committee finds, however, this is adequately covered in general quorum requirements, and is not restricted to meetings conducted by interactive conference technology.

Your Committee has amended this measure by making technical 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 Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2710, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 2136 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on S.B. No. 2111**

The purpose of this measure is to shorten the time period within which counties may accept or reject requests for dedication of infrastructure for affordable housing and to clarify provisions to facilitate the expeditious development of affordable housing.

Testimony in support of this measure was submitted by two state agencies and four private organizations. Testimony in opposition to this measure was submitted by two county agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure expedites the dedication of infrastructure process by the counties, which in turn advances affordable housing projects in a timely manner. Your Committees also find that for purposes of a request for dedication of infrastructure, the requirement for county approval of the completion of the improvements comprising a dedicated infrastructure is vital to the counties' responsibilities.

Accordingly, your Committees have amended the measure by:

- (1) Restoring the provision requiring county approval of the completion of the improvements comprising a dedicated infrastructure; and
- (2) Requiring the sixty-day time limit for counties to accept or reject dedication requests to commence upon receipt of a complete application for dedication request by the appropriate county council, rather than upon filing of the dedication request.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2111, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2111, 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, 9. Noes, none. Excused, 2 (Gabbard, Tsutsui).

**SCRep. 2137 Health on S.B. No. 2188**

The purpose of this measure is to include teeth whitening in the definition of dentistry.

Your Committee received testimony in support of this measure from the Board of Dental Examiners, the Hawaii Dental Association, and one individual. Testimony commenting on this measure was received by the Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, according to testimony submitted by the Board of Dental Examiners, the procedure of teeth whitening is not merely a cosmetic procedure. The Board of Dental Examiners testified that there is a potential that the teeth whitening procedure could result in harm to a patient's gums and teeth if not done correctly.

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. 2188 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2138 Health on S.B. No. 2272**

The purpose of this measure is to include a continuing education component to nurse licensure requirements.

Your Committee received testimony in support of this measure from Kapi'olani Medical Center for Women & Children, Kapi'olani Medical Center at Pali Momi, The Queen's Medical Center, Straub Clinic & Hospital, The University of Hawai'i at Manoa, Hawai'i Pacific Health, and The Chamber of Commerce of Hawaii. Your Committee received testimony in opposition of this measure from the Board of Nursing, the Hawaii Government Employees Association, and three individuals. Testimony in support of the intent of the measure with amendments was received from Kaiser Permanente Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that although there is a widespread desire to specify continuing education requirements for nurses, there is disagreement about the best way to do so. Your Committee further finds that postponing the effective date of this measure will allow suitable continuing education programs to be developed.

Your Committee has amended this measure by:

- (1) Changing the effective date of the measure to June 1, 2013; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2272, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Baker, Nishihara). Noes, none. Excused, 1 (Hemmings).

**SCRep. 2139 Health on S.B. No. 2491**

The purpose of this measure is to clarify telemedicine as a practice of medicine and to require insurers offering medical malpractice insurance coverage to also cover telemedicine.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association. Your Committee received testimony in support of the intent of this measure with amendments from the Hawaii Medical Association. Testimony commenting on this measure was submitted by the Department of Commerce and Consumer Affairs. The Hawaii Medical Board deferred taking a position on the measure, stating that it would discuss the measure at its next meeting. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that telemedicine is a recent innovation in the practice of medicine and may expand access to healthcare in rural areas that historically have a shortage of physicians.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage 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. 2491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2491, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2140 (Joint) Education and Housing and Labor on S.B. No. 2470**

The purpose of this measure is to require all public schools, including charter schools, to implement a minimum of two hundred days of classroom instruction per school year.

Testimony in support of this measure was submitted by one state agency. Testimony in support of the intent of this measure was submitted by three private organizations. One state agency had concerns on the measure, and one private organization submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure helps maintain a standard of quality for the education of Hawaii's students. However, your Committees also find that section 4 of this measure, which added a new section to chapter 89, Hawaii Revised Statutes, interferes with public employees' right to collective bargaining under article XIII, section 2 of the Constitution of the State of Hawaii. Accordingly, your Committees have amended the measure as follows:

- (1) By removing section 4 of the measure; and
- (2) By making a technical, nonsubstantive amendment to change formatting.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2470, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2470, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Bunda, Hee, Hemmings).

**SCRep. 2141 (Joint) Education and Housing and Energy and Environment on S.B. No. 2709**

The purpose of this measure is to require the Department of Education to give first preference to environmentally-sensitive cleaning and maintenance products that have been approved by the Design for the Environment Program of the United States Environmental Protection Agency for use in public schools.

Testimony in support of this measure was submitted by one state agency. One state agency and one private organization provided comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the United States Environmental Protection Agency (EPA) has years of experience and technical expertise in environmental health issues. Your Committees also find that as a product of the EPA, the Design for the Environment Program is a credible source of recommendations for cleaning and maintenance products that prevent serious threats to human and environmental health. However, your Committees further find that expanding the list of products that are given first preference by the Department of Education in some of its purchasing decisions promotes competition among the producers of those products.



In accordance with the findings, your Committees have amended this measure by:

- (1) Adding the Green Seal program and the EcoLogo program administered by TerraChoice Environmental Marketing Inc. as programs, in addition to the Design for the Environment program, whose approved cleaning and maintenance products shall be given first preference by the Department of Education in the purchase and use of cleaning and maintenance products in public schools; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees note that although preferences for the use and purchase of products approved by certain nongovernmental certifies may be a concern under the equal protection clause, your Committees find it important to ensure that products used to clean and maintain facilities used by children, teachers, and staff meet stringent human and environmental health requirements. Your Committees recommend further discussion to address this issue in a way that does not compromise the health and safety of schools or school children, teachers, and staff.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2709, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2709, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, English, Ihara, Kokubun, Tsutsui).

**SCRep. 2142 Education and Housing on S.B. No. 2452**

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 five private organizations and one individual. One state agency expressed concerns with this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that student transportation is a crucial factor in school attendance, especially for homeless and low-income families, which has a significant impact on classroom learning.

Your Committee has heard the concerns of the Department of Education that if the measure expands the Department's current responsibility for student transportation, additional funds would be required. Your Committee also recognizes the fiscal challenge of providing school transportation for students to and from all schools and all educational field trips. Therefore, your Committee has amended this measure by:

- (1) Inserting the portions of S.B. No. 2789 that increase the state fuel tax to provide funding for or subsidize the cost of student transportation, with the amount of the tax increase left unspecified for determination by the Committee on Ways and Means;
- (2) Requiring the Department of Education to provide suitable transportation to and from school for children in kindergarten to grade twelve or in special education classes, who attend public schools except public schools located within the Honolulu department district; and
- (3) Allowing the Department of Education to provide suitable transportation to and from school and for educational field trips for all children in kindergarten to grade twelve or in special education classes, subject to the availability of funds.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2452, 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 (Hemmings, Tsutsui).

**SCRep. 2143 (Majority) Education and Housing on S.B. No. 2434**

The purpose of this measure is to repeal the salary caps of the Superintendent of Education, Deputy Superintendent, Assistant Superintendents, Complex Area Superintendents, and State Librarian.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides the Board of Education with greater flexibility in determining salaries for top-level administrators of the Department of Education. However, your Committee also finds that salaries should be commensurate with job duties and responsibilities. Presently, the salaries of some school principals and other school-, district-, and state-level administrators are higher than that of the Superintendent of Education.

Your Committee has made the following amendments to this measure to encourage greater parity and fairness across salaries of school, complex area, and statewide leadership positions within the Department of Education:

- (1) Amend portions of the purpose section;
- (2) Set the cap on the Superintendent of Education's salary to the salary of the highest paid school-, district-, or state-level administrator in the Department of Education;

- (3) Set the cap on the salary of the Deputy Superintendent, Assistant Superintendents, Complex Area Superintendents, and State Librarian at ninety per cent, eighty-five per cent, eighty per cent, and eighty per cent of the Superintendent's salary, respectively; and
- (4) Insert an effective date of July 1, 2050, to ensure further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2434, 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 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 2144 Education and Housing on S.B. No. 2349**

The purpose of this measure is to allow home-schooled students to participate on an equal basis in extracurricular activities offered at the public school they would otherwise be required to attend.

Testimony in support of this measure was submitted by one state agency and one individual. Testimony in opposition to this measure was submitted by one private organization and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes the concerns of the Athletic Directors and Coaches Association of Hawaii (ADCA) relating to funding; eligibility requirements; monitoring of Department of Education standards, rules, and policies; transfer rules; the potential for illegal recruitment; and liability and other issues. Your Committee finds that this measure presents a potentially beneficial situation for both home-schooled students and the Department of Education and recommends that the Department of Education consult the ADCA through a rule-making process to effectuate this measure. Your Committee also notes that home-schooled students are required under existing law to provide the principal of the public school that the student would otherwise be required to attend with a notification of intent to home school. Inserting this language into the measure as a prerequisite for any home-schooled student to participate in extracurricular activities at a public school may alleviate concerns such as transfer rules.

Your Committee has amended this measure by:

- (1) Requiring that the parent or guardian of a home-schooled child who wishes to participate in an extracurricular activity pursuant to this measure shall provide the principal of the public school that the child would otherwise be required to attend with a notification of intent to home school by the first day of each school year for which the child intends to home school;
- (2) Requiring the Department of Education to consult the Athletic Directors and Coaches Association of Hawaii (ADCA) during its rule-making process to effectuate this measure;
- (3) Requiring that rules adopted by the Department of Education relating to the participation of home-schooled children in athletics at public schools be consistent with the Department's rules relating to the participation of transfer students in athletics at public schools; and
- (4) Inserting an effective date of July 1, 2050, to ensure further discussion of the issues raised by the ADCA and other concerns.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2349, 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 (Hemmings, Tsutsui).

**SCRep. 2145 Education and Housing on S.B. No. 2277**

The purpose of this measure is to:

- (1) Authorize the Hawaii Public Housing Authority (HPHA) to assess all the units in a state public housing project for common area expenses;
- (2) Eliminate most procedural requirements to hearings for eviction of tenants from public housing but maintains the requirement of providing written notice per federal law;
- (3) Require evictions from state low-income housing to be conducted by hearings officers appointed by HPHA;
- (4) Clarify that for federal low-income housing, hearings shall be conducted by an eviction board;
- (5) Authorize an eviction board or hearings officer to consider a tenant's involvement in the tenant's child's school in making a determination; and
- (6) Prohibit HPHA from selling any land developed for any public housing project.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition to this measure was submitted by two state agencies and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would effectively streamline the Hawaii Public Housing Authority's eviction process by removing most procedural requirements preliminary to hearings for evictions of tenants of public housing projects and instead requiring the Hawaii Public Housing Authority to submit written notice, in accordance with federal law, to delinquent tenants.

However, your Committee also recognizes the concerns expressed by testifiers regarding the other provisions of this measure. Accordingly, your Committee has amended this measure as follows:

- (1) By removing the provision that provided an assessment of a common area fee on residents of state public housing, as existing rent charges are a more appropriate means of collecting normal costs of housing;
- (2) By removing the provision that created the requirement that evictions from state public housing units be conducted by a hearings officer, as the existing process follows provisions for evictions in the Residential Landlord-Tenant Code under chapter 521, Hawaii Revised Statutes;
- (3) By removing the provision that created the requirement that an eviction board or hearings officer consider a tenant's involvement in the tenant's child's school in making a determination of whether to terminate a lease or rental agreement and evict a tenant, due to concerns over familial status discrimination;
- (4) By removing the provision that prohibits the Hawaii Public Housing Authority from selling any land developed for any public housing project, as it is duplicative of existing law; and
- (5) 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2277, 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 (Tsutsui).

**SCRep. 2146 (Majority) Education and Housing on S.B. No. 2256**

The purpose of this measure is to authorize the Department of Education to adopt rules governing traffic and parking conditions on roadways and other areas under the Department's jurisdiction and establishes the Department of Education parking revolving fund for the deposit of those fees; provided that parking fees collected by schools shall be deposited to the credit of the schools' nonappropriated local school fund accounts.

Testimony in support of this measure was submitted by one state agency. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides a potential additional source of revenue to fund public education and provides the Department of Education with the flexibility to contract for services to implement this measure.

In response to concerns regarding the establishment of a revolving fund, your Committee has made the following amendments:

- (1) Directed parking fees assessed and collected by the Department of Education into the same fund into which fees and charges collected for the use of school facilities are deposited, pursuant to section 302A-1148, Hawaii Revised Statutes; and
- (2) Made a technical, nonsubstantive change for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2256, 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 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 2147 Public Safety and Military Affairs on S.B. No. 2534**

The purpose of this measure is to:

- (1) Require a law enforcement agency having custody of an accused person to accept cash bail and bail bonds when the court with jurisdiction is closed, including nights, weekends, and holidays; and
- (2) Define "law enforcement agency", for the foregoing purposes, to include the county police departments, the Department of the Attorney General, and the Department of Public Safety.

Your Committee received testimony in support of this measure from one government entity and four bond agents. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the payment of cash bail or bail bonds is presently accepted only by the courts during business hours Monday to Friday excluding weekends and holidays. Your Committee has been informed that the practice many years ago was for any corrections facility or police facility holding the accused to accept and promptly release the accused at any time any day of the week. The practical effect of current practice is that an accused who can afford to pay the bail or bond may be held in custody for a minor offense from Friday afternoon to the following Monday morning, or Tuesday morning in case of a Monday holiday. Your Committee is concerned that a constitutional issue may be raised in holding an accused for an unnecessary length of time notwithstanding the ability to pose bail or bond.

Your Committee further finds that the costs per day of incarcerating a person can be minimized by avoiding unnecessary delays in the prompt release of a person who is legally entitled to be released.

Your Committee has amended this measure to establish a bail bond filing fee to defray the expenses of processing the posting of the bail bond.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2534, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Hemmings).

**SCRep. 2148 (Joint) Public Safety and Military Affairs and Education and Housing on S.B. No. 2135**

The purpose of this measure is to establish within the Department of Defense the permanent, full-time position of school liaison officer and to make an appropriation to fund that position.

Your Committees received testimony in support of this measure from one government entity and one private entity. Testimony in opposition was received from one government entity. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The purpose of the school liaison officer is to interact between the Hawaii National Guard and the Department of Education. The education of military children is a top quality of life issue that is addressed by every branch of the United States military, which has established similar school liaison officer positions at all of their commands.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2135, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2135, 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 (Gabbard, Hemmings, Tsutsui).

**SCRep. 2149 (Joint) Economic Development and Technology and Commerce and Consumer Protection on S.B. No. 2145**

The purpose of this measure is to ensure the stability of the Small Business Regulatory Review Board, by:

- (1) Transferring the Board, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs;
- (2) Authorizing the Board to employ a small business advocate; and
- (3) Authorizing the expenses of the Board to be funded entirely from the compliance resolution fund.

Testimony in support of this measure was submitted by the Chair and a member of the Small Business Regulatory Review Board and two individuals. The Department of Business, Economic Development, and Tourism and the Department of Commerce and Consumer Affairs submitted testimony in opposition. The National Federation of Independent Business and Hawaii Business League submitted comments.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the Small Business Regulatory Review Board serves a unique and vital role for Hawaii's small businesses, and maintaining a stable "home", staffing, and budget is critical to the continued success of the Board's efforts. Your Committees have heard a number of concerns regarding the transfer of the Board, including the cost of maintaining its operations. Your Committees understand, however, that for several years the Board's operating budget has never been over \$20,000 annually, and in fact the Board addresses the budget annually and has cut back expenses as any prudent business should. Board members are extremely committed to their work, as evidenced by the fact that neighbor island members paid for their flights to one monthly meeting, without reimbursement, after recent budget cuts.

In addition, the Department of Commerce and Consumer Affairs has expressed some concern regarding the Board's responsibilities regarding review of all agency administrative rules, noting that the Department of Commerce and Consumer Affairs' administrative rules would also be reviewed by the Board. Your Committees find, however, that the Department of Business, Economic Development, and Tourism – where the Board currently is administratively housed – also has numerous administrative rules and this has not proven to be an issue of concern for either the Department or the Board.

Your Committees understand the reservations of the two departments regarding the transfer of the Small Business Regulatory Review Board, but your Committees have every expectation that the concerns raised can be addressed successfully, to the benefit of Hawaii's small business community.

Your Committees have amended this measure by:

- (1) Clarifying that the Small Business Regulatory Review Board is attached to the Department of Commerce and Consumer Affairs for administrative purposes only; and
- (2) Authorizing, rather than requiring, the Director of Commerce and Consumer Affairs to include, as part of any other fee charged to a person or organization, an amount with a reasonable nexus to the small business regulatory review activities of the Board.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B.

No. 2145, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2145, 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, Ihara).

**SCRep. 2150 (Joint) Economic Development and Technology and Public Safety and Military Affairs on S.B. No. 2620**

The purpose of this measure is to:

- (1) Require an independent audit of the wireless enhanced 911 fund annually, including information on the status of projects undertaken or planned by public safety answering points; and
- (2) Specify that the results of the audit shall be included in the Wireless Enhanced 911 Board's annual report to the Legislature.

Testimony in support of this measure was submitted by the Department of Information Technology, City and County of Honolulu. Testimony in opposition was submitted by the Department of Accounting and General Services.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees finds that this measure will provide timely and accurate information annually to the Legislature on the status of the wireless enhanced 911 fund, projects undertaken, and the availability of funding for these projects. Your Committees have heard the concerns of the Comptroller regarding additional costs and the increased time for completion that the expanded audit will require.

Your Committees believe that the additional information regarding the projects is public information that should be readily available, but understand the concerns of the Comptroller.

Your Committees have amended this measure to require that information on the status of projects undertaken or planned by public safety answering points be included in the Wireless Enhanced 911 Board's report to the Legislature, rather than as part of the audit.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2620, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2620, 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 (Bunda, English, Hee, Hemmings).

**SCRep. 2151 (Majority) Economic Development and Technology on S.B. No. 2405**

The purpose of this measure is to adopt changes to Hawaii's tax law that will allow Hawaii to participate in the national Streamlined Sales and Use Tax Agreement, which simplifies state tax systems and removes burdens to interstate commerce.

Testimony in support of this measure was received from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Legislative Information Services of Hawaii; Hawai'i Association of REALTORS; Retail Merchants of Hawaii; and National Association of Social Workers, Hawaii Chapter. The Tax Foundation of Hawaii submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that participation in the national Streamlined Sales and Use Tax Agreement (Agreement) requires that Hawaii change its tax law and adopt a single rate of general excise tax, Hawaii's substitute for a sales tax, to be in conformity with the Agreement. Once a sufficient number of states agree to a uniform framework, this national demonstration project of the feasibility of collecting state use taxes on out-of-state purchases will give states the ability to level the playing field for in-state retailers who are at a competitive disadvantage because they collect the sales taxes due on local purchases. Modern technology and e-commerce giants Amazon.com, Borders, Sears, Costco and a wide range of national businesses have demonstrated the ease of calculating taxes due at the point of sale, thereby serving as the most practical reason for the United States Congress to overturn the 1992 Quill vs. North Dakota decision (requiring out-of-state retailers to collect taxes owed to another state at the point of sale was held to be an "undue burden" on commerce).

Your Committee further finds that there are compelling reasons for requiring remote sellers to collect use taxes due on out-of-state purchases that state tax departments have traditionally been unable to enforce against individual taxpayers. In a National Conference of State Legislatures (NCSL) state-by-state listing that highlighted anticipated fiscal year 2010 budget gaps and uncollected 2008 sales/use tax revenue, the aggregate 2010 budget gaps estimated for all states was roughly \$84,340.2 billion dollars, with 2008 uncollected sales/use taxes amounting to \$27,836.7 billion dollars in lost revenue - or approximately thirty-three per cent of the total budget gap (State Budget Update: June 2008, State Budget Update: November 2008 and February 2009 Update on State Budget Gaps: FY 2009 & FY 2010). As states reel from the impact of budget cuts, employee layoffs and furloughs, disruption of critical health care and social services, even large states like Texas, Massachusetts, Florida, Illinois, Virginia, Missouri, and California introduced streamlined sales and use tax conforming legislation in 2009. Collecting state use taxes that were previously uncollectable is an obvious alternative to be pursued before tax increases are adopted.

From the NCSL listing, Hawaii's budget gap was projected at \$1.057 billion for fiscal year 2010, and uncollected 2008 use taxes projected at \$245.5 million. Although Hawaii cannot obtain the full amount of its uncollected use taxes until Congress acts to authorize states to pursue the streamlined solution, adoption of this year's legislation will give the State an opportunity to capture voluntary collections on behalf of participating streamlined states. Twenty-three states that have adopted conforming legislation since 2005 have received over \$468 million in voluntarily-collected use taxes through 2009 from 1,200 retailers.

Your Committee has amended this measure by making technical 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 Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2405, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2405, 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 (Hee).

**SCRep. 2152 Economic Development and Technology on S.B. No. 2290**

The purpose of this measure is to increase the availability of venture capital for the State's emerging industries while minimizing State liability for program costs by:

- (1) Establishing a State private investment fund; establishing a six-member board of directors to govern the fund; and establishing provisions for investment capital guarantees, investments by the fund, confidentiality of trade secrets and disclosure of financial information; limitations on liability; and an investment manager;
- (2) Amending numerous current statutory provisions of the State private investment fund to transfer authority of the fund from the Hawaii Strategic Development Corporation to the fund's board of directors;
- (3) Including insurance companies as potential investors along with banks, individuals, and corporations, by providing that the tax credits to be used by the State private investment fund as a guarantee, may be used to offset insurance premium taxes;
- (4) Replacing the current caps on tax credits with unspecified amounts;
- (5) Requiring the Department of Business, Economic Development, and Tourism to study the costs and benefits of the fund and report the results biennially to the Legislature;
- (6) Amending the name of the capital formation revolving fund to the capital formation special fund and specifying the uses of the special fund; and
- (7) Deleting legislative approval for the fund to incur indebtedness.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; High Technology Development Corporation; and one individual. The Department of Taxation and the Employees' Retirement System submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the lack of venture capital funding is one of the most oft-cited criticisms of the innovation and entrepreneurial environment in Hawaii. New companies built around science and technology offer the prospect of diversifying Hawaii's economy, yet without sufficient capital to finance such development, this potential will not be fully realized.

Your Committee notes that many states have adopted a fund of funds model to support venture capital investment, and that the Hawaii Strategic Development Corporation has been managing Hawaii's venture capital fund of funds program for many years. This measure will assist that effort by creating a financing mechanism that will not use scarce State fiscal resources, but still allow investment capital to be mobilized for Hawaii's technology companies.

Your Committee notes that the Department of Taxation anticipates a revenue loss to the general fund, dependent on the amount authorized for the fund's allocable credits, which are currently unspecified.

Your Committee is supportive of developing funding mechanisms that will provide increased opportunities for growth in Hawaii's economy, particularly those mechanisms that do not rely on state funds. Your Committee recognizes that there are many issues still to be discussed, and anticipates that additional recommendations may be made as this measure is heard in succeeding legislative committees.

Your Committee has amended this measure accordingly, by:

- (1) Clarifying that the Hawaii Strategic Development Corporation (Corporation) shall administer the state private investment fund (fund);
- (2) Exempting staff of the fund from chapter 76, Hawaii Revised Statutes;
- (3) Deleting the Executive Director of the state private investment fund from the board of directors of the fund, with four members to be recommended by the board of the Corporation;
- (4) Authorizing members of the board of directors to serve up to two consecutive terms, and authorizing members to be reimbursed for expenses;
- (5) Deleting the requirement that the fund shall invest in entities that have committed to maintain a presence in the State;
- (6) Deleting amendments to the mission of the Corporation and the Corporation's business plan;
- (7) Deleting amendments throughout that would have transferred authority from the Corporation to the state private investment fund;
- (8) Deleting the requirement to conduct a national solicitation for investment plan proposals;
- (9) Deleting the requirement that the Department of Business, Economic Development, and Tourism study the costs and benefits of the program;
- (10) Deleting the requirement that the capital formation special fund be used to repay indebtedness or redeem equity interests;



- (11) Requiring the audit of the fund to be conducted by an independent auditor;
- (12) Authorizing the state private investment fund to incur indebtedness;
- (13) Making the effective date July 1, 2011; and
- (14) Making technical 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 Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2290, 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 (Hee, Sлом).

**SCRep. 2153 Economic Development and Technology on S.B. No. 2293**

The purpose of this measure is to support Hawaii's science and technology industry by:

- (1) Extending the ending date for the tax credit for research activities from December 31, 2010, to December 31, 2011; and
- (2) Establishing a high technology research and development task force to develop legislative initiatives to improve the tax credit or establish alternatives to the tax credit.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; High Technology Development Corporation; The Chamber of Commerce of Hawaii; Puko'a Scientific; and three individuals. The Department of Taxation submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

In testimony, the Department of Taxation anticipated a revenue loss of approximately \$20,000,000 in fiscal year 2012 for the one-year extension of the tax credit for research activities, but provided no information as to how the Department arrived at this figure.

Your Committee finds that one of the key issues regarding the tax credit for research activities is how the revenues generated to the State by research and development companies compare to the expenses of the tax credit. According to recent industry analysis, in 2008, \$13,400,000 in tax credits was claimed. Given a credit of twenty per cent of qualified expenses, the qualified expenses are five times the credit, or \$67,000,000. Typically, about half of companies' expenses are qualified, yielding total expenses of approximately \$134,000,000 by companies relating to qualified research and development activities. Wages average about sixty per cent of those expenses, with the remaining forty per cent attributable to a variety of expenses, including rent, etc. The industry analysis is based on a six per cent income tax rate and a 4.5 per cent general excise tax rate to estimate the taxes directly paid by these companies, and an economic multiplier of two was used, as most of the wages and other expenses are recycled in the economy. Finally, total revenue of about \$14,400,000 is calculated to be attributable to the research and development efforts of the companies receiving \$13,400,000 in tax credits, thereby showing that the refundable tax credit can generate more tax revenue than it costs the State in the form of the credit.

Your Committee also finds that in a highly competitive industry, Hawaii's tax credit for research activities compares well with other countries and states. While a direct comparison of comparable tax credits in other countries and jurisdictions is more difficult because the incentives are in various forms such as tax abatements or enhanced deductions, examples such as Canada's Quebec Province where overall tax credits can reach 72.5 per cent, illustrate the competition that Hawaii faces.

Your Committee is in strong support of the extension of the tax credit for research activities, as a means of attracting and sustaining this critical sector of Hawaii's economy.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2293 and recommends that 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 (Hee, Ige).

**SCRep. 2154 Economic Development and Technology on S.B. No. 2478**

The purpose of this measure is to provide tax credits for investment, transportation expenditures, and certain payroll costs associated with a qualified live musical or theatrical production or qualified musical or theatrical facility infrastructure project.

Testimony in support of this measure was submitted by the International Alliance of Theatrical Stage Employees Local 665, Tix Productions; WestCoast Entertainment, and three individuals. The Department of Taxation submitted testimony in opposition.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the tax credits in this measure will encourage live musical and theatrical productions and projects that would present Hawaii as one of the primary places in the United States in which to produce and debut a live musical or theatrical production. This will contribute significantly to the continued growth of Hawaii's broad-based entertainment industry and assist the State in moving past the current economic decline.

In testimony, the Department of Taxation estimated a revenue loss of \$60,000,000 annually, based on the provision in this measure that limits cumulative tax credits to no more than \$60,000,000 per taxable year.

Your Committee understands that some of the provisions of this measure are currently under discussion, including certain aspects of transportation expenditures and payroll costs, and that further amendments may be recommended.

Your Committee has amended this measure accordingly, by:

- (1) Replacing the dollar limits for the tax credit with blank amounts;
- (2) Amending the effective date of this Act to apply to taxable years beginning after December 31, 2030, for the purpose of encouraging further discussion; 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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2478, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2478, 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 (Hee, Slom).

**SCRep. 2155 Health on S.B. No. 2211**

The purpose of this measure is to transition the Hawaii Health Systems Corporation to federal and state nonprofit status and to appropriate general obligation bonds for the repair and maintenance of facilities and transition expenses.

Your Committee received testimony in support of this measure from the Arc of Kona and eleven individuals. Your Committee received testimony in opposition of this measure from the United Public Workers, AFSCME Local 646 and the Hawaii Government Employees Association, AFSCME Local 152. Testimony in support of the intent of the measure was received from Hawaii Health Systems Corporation and from Hawaii Health Systems Corporation West Hawaii Region. Comments were received from the Department of the Attorney General, Maui Memorial Medical Center, and the West Hawaii Regional Board. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Health Systems Corporation provides health care services that are vital to the State and accordingly, steps must be taken to ensure the Corporation's future financial viability and reduce its dependence on state subsidies. A study commissioned by the Legislature concluded that a complete transition to a not-for-profit corporation is the best option available for reorganizing the Corporation into the most efficient structure possible, and the regional and corporate boards of the Corporation, after preliminary review and discussion, agree in principle with this approach. To ensure success of the transition, a detailed plan must be developed, which analyzes and addresses, among other things, financing options, potential partnerships, operations issues, a conversion timetable, the impact of such conversion on employees, patients, and other stakeholders, needed amendments to existing law to effectuate the transition, and the costs of the transition.

Your Committee has amended this measure by:

- (1) Removing language requiring the Hawaii Health Systems Corporation to begin the transition to nonprofit status;
- (2) Requiring the Hawaii Health Systems Corporation to create a plan of transition and to present updates to this plan to the Legislature annually; and
- (3) Changing its effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2211, 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, none.

**SCRep. 2156 (Joint) Health and Human Services on S.B. No. 2103**

The purpose of this measure is to appropriate state matching funds for the federal disproportionate share hospital allowance allocated to the State for fiscal year 2010-2011.

Your Committees received testimony in support of this measure from Kaiser Permanente Hawaii, The Queen's Medical Center, the Hawaii Medical Service Association, the Hawaii Government Employees Association, The Chamber of Commerce of Hawaii, Hawai'i Pacific Health, the Healthcare Association of Hawaii, and the Hawai'i Primary Care Association. Testimony in opposition was received from the Department of Human Services. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the cost of care for Medicaid patients exceeds Medicaid/QUEST reimbursements and payments, resulting in losses to Hawaii's hospitals of tens of millions of dollars a year. Through the continued efforts of Hawaii's congressional delegation, a federal Medicaid disproportionate share hospital appropriation has been secured for Hawaii to help hospitals reduce their losses. However, these funds cannot be expended without a matching state appropriation. Although the Legislature appropriated state matching funds for this purpose for fiscal year 2009-2010, those funds have not been released. This measure remedies that situation, preserving the availability of federal and state funds through the 2010-2011 fiscal year.

Your Committees have amended this measure by:

- (1) Making state matching funds appropriated for the 2009-2010 fiscal year by Act 23, Special Session Laws of Hawaii 2009, available for fiscal biennium 2009-2011; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2103, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2103, 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 (Baker, Espero, Ihara).

**SCRep. 2157 (Joint/Majority) Health and Transportation, International and Intergovernmental Affairs on S.B. No. 2105**

The purpose of this measure is to change the agency issuing removable windshield placards, temporary removable windshield placards, special license plates, and identification cards from the counties to the Disability and Communication Access Board, and to increase the number of years a placard is effective.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board, the State Council on Developmental Disabilities, and four individuals. Your Committees received testimony in support of the intent of the measure with an amendment from the City and County of Honolulu. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will simplify and improve the administration of the parking program for persons with disabilities.

Your Committees have amended this measure by:

- (1) Preserving that part of section 291-51.3, Hawaii Revised Statutes, that states "The State shall reimburse the counties for the unit cost of issuing a removable windshield placard or a temporary removable windshield placard on behalf of the State"; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2105, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2105, 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 (Hemmings). Excused, 1 (Slom).

**SCRep. 2158 Education and Housing on S.B. No. 2435**

The purpose of this measure is to appropriate for ten years a portion of the Department of Education's annual operating budget to support Teach for America in Hawaii to train, sustain, and prepare outstanding college graduates to become teachers in the Department of Education.

Testimony in support of this measure was submitted by four organizations and one individual, and testimony in support of the intent of this measure was submitted by one private organization. Testimony in opposition to this measure was submitted by two state agencies and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Teach for America has provided the Department of Education with many passionate teachers who have made significant positive impacts on the communities in which they serve. Your Committee also finds that Teach for America teachers have filled many positions that are difficult to fill with the existing pool of candidates in Hawaii and that the Department of Education should continue to consider Teach for America teachers as part of its broader recruitment, retention, and mentoring initiatives.

Your Committee defers to the Committee on Ways and Means with regard to the appropriate amount of funding to provide for the purposes of this measure. Your Committee also recommends that any measure that increases general excise taxes also consider designating a portion of the additional revenue for the purposes of this measure.

Accordingly, your Committee has amended this measure by:

- (1) Leaving the appropriation amount unspecified for determination by the Committee on Ways and Means; 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2435, 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 (Hemmings, Tsutsui).

**SCRep. 2159 (Joint) Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2889**

The purpose of this measure is to transfer all land and facilities thereon used by the Department of Education to operate the Keakealani Outdoor Education Center to the Volcano School of Arts and Sciences.

Testimony in support of this measure was submitted by two organizations. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that in light of the budget shortfall, funding for the Keakealani Outdoor Education Center is scheduled to fall off significantly, leaving the facilities either unused or underutilized. Your Committees find that despite the harsh realities of the

current budget situation, opportunities for efficiency also exist. This measure takes advantage of such an opportunity by meeting a need for facilities by the Volcano School of Arts and Sciences by use of an underutilized facility.

As affirmed by the records of votes of the members of your Committees on Education and 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. 2889 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Fukunaga, Takamine, Tsutsui).

**SCRep. 2160 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on S.B. No. 2116**

The purpose of this measure is to facilitate the process by which the Department of Education obtains approval for the State to indemnify, defend, and hold harmless a county agency, its officers, agents, and employees for public school purposes and functions on county facilities.

Testimony in support of this measure was submitted by one county agency and two individuals. Testimony in support of the intent of this measure was submitted by two state agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure streamlines an approval process that the Department of Education is required to complete several times every year for the same activities under existing law. Your Committees have amended this measure by adopting the following proposed amendments:

- (1) Changing the authority to agree to indemnify, defend, and hold harmless a county agency, its officers, agents, and employees from the Department of Education to the Governor, and specifying that the Governor may delegate this authority to the Superintendent of Education or the Deputy Superintendent, if so designated by the Superintendent of Education;
- (2) Providing that the indemnity provision to be used by the Superintendent of Education or the Deputy Superintendent, upon approval by the Governor, may serve as approval by the Governor for some or all public school purposes or functions on county properties for the remainder of that school year; and
- (3) Providing, as an additional condition to the Governor's delegation of authority to indemnify the counties, that the Comptroller has obtained an insurance policy in an amount sufficient to cover the State's liability that reasonably may be anticipated to arise under the indemnity provision, or has determined that it is not in the best interest of the State to obtain insurance.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2116, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2116, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Gabbard, Tsutsui).

**SCRep. 2161 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on S.B. No. 2276**

The purpose of this measure is to prohibit the possession of open liquor containers in public housing common areas and on public streets and sidewalks.

Testimony in support of this measure was submitted by one state agency, one county agency, and four individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that some non-residents and visitors to public housing projects consume intoxicating liquor on the grounds, sidewalks, common areas, and other sections of the housing projects, contributing to crime and undesirable behaviors. Your Committees also find that police are often unable to arrest these individuals unless observed actually consuming liquor or unless a witness is willing to testify that the individuals were consuming liquor. This measure provides police with a means to arrest individuals based on the possession of an open liquor container as prima facie evidence of consumption of liquor.

Your Committees find that applying the prima facie evidence provision to all public sidewalks would be an overly broad solution that may have unintended impacts. Accordingly, your Committees have amended this measure by narrowing the scope of the provision to apply only to sidewalks and common areas within public housing projects.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2276, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2276, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Gabbard, Tsutsui).

**SCRep. 2162 Transportation, International and Intergovernmental Affairs on S.B. No. 2859**

The purpose of this measure is to clarify the Motor Vehicle Industry Licensing Act (Act) to further delineate the rights and liabilities of the relationship between the manufacturer or distributor and their dealers by establishing that the Act's provisions are remedial and apply to all franchise and ancillary agreements.

Your Committee received testimony in strong support of this measure from the Tony Group and the Hawaii Automobile Dealers Association. Testimony in opposition to this measure was received from General Motors, LLC; and the Alliance of Automobile Manufacturers. The Department of Commerce and Consumer Affairs Regulated Industries Complaints Office and the Motor Vehicle Industry Licensing Board expressed concerns with this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee was informed in testimony that auto manufacturers, especially in light of the current economic environment, may be attempting to unreasonably shift costs to dealers, which increases dealers' costs and forces them to reduce expenses such as personnel or to pass on the additional costs to the consumer.

Your Committee finds that this measure helps local auto sales businesses to operate on a more level playing field with their multi-national manufacturer partners. Local businesses will be better able to focus on competition in the marketplace based on how well they operate their business and service the general public.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2859, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 2163 Transportation, International and Intergovernmental Affairs on S.B. No. 2954**

The purpose of this measure is to establish a pilot project to provide for the transfer of all state highway functions on Maui, Molokai, and Lanai from the Department of Transportation to the County of Maui, and to transfer applicable funding for state highways on Maui from the State to Maui County.

Your Committee received testimony in support of this measure from the Task Force on Reinventing Government. Testimony in opposition was received from the Department of Transportation and the Department of Public Works of the County of Maui. Comments were received from a member of the County Council of the County of Maui. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Legislature finds that the State's current fiscal crisis necessitates an abolition of duplicative state and county functions. The Department of Transportation and the Maui County Department of Public Works share overlapping functions for construction and maintenance of highways. The Legislature further finds that counties are more economically efficient at providing highway functions inasmuch as the highways are inherently a county function in Hawaii which does not have an interstate highway system similar to mainland states.

According to testimony of the Department of Transportation, it is not opposed to the transfer of maintenance functions for state highways located in the County of Maui to the County of Maui Department of Public Works. This arrangement apparently has been under consideration for some time.

Your Committee has amended this measure by:

- (1) Limiting the transfer to maintenance functions for state highways;
- (2) Clarifying that the transfer shall be made to the Maui County Department of Public Works;
- (3) Changing the definition of "highway functions" to "highway maintenance functions" and defining "highway maintenance functions" to mean maintenance functions performed by the Department of Transportation on state highways located in the County of Maui, including under a memorandum of agreement;
- (4) Defining "memorandum of agreement" as a written agreement entered into between the Department of Transportation and the Maui County Department of Public Works to effectuate the transfer;
- (5) Including in the transfer any other state highway as may be identified in a memorandum of agreement; and
- (6) Adding a provision for an equitable proportionate funding formula to require the Department of Transportation to develop and apply in the transfer of public funding to the Maui County Department of Public Works.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2954, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2954, 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. 2164 Transportation, International and Intergovernmental Affairs on S.B. No. 2863**

The purpose of this measure is to:

- (1) Allow the county director of finance to record the notice of judgments as a tax lien payable to a county on any registered motor vehicle;



- (2) Require the county director of finance to require that payment of judgments payable to the State or county as a condition precedent to the vehicle's renewal, registration, or transfer of ownership; and
- (3) Prohibit the State, county, or political subdivision from being charged a fee for any entry made in the tax lien and encumbrance record.

Your Committee received testimony in support of this measure from the Department of the Attorney General. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a need to expand the ability of state and county agencies to pursue reimbursement of outstanding debts while many debtors ignore payment obligations and recovery efforts by state and county agencies. Encumbrances on motor vehicles are an effective mechanism to significantly increase the likelihood of recovering outstanding debts.

Currently, agencies may record liens or claims with the director of finance of each county, but are required to pay a statutory fee that is deposited into the general fund. Your Committee finds that the fee is hindering some agencies from utilizing the tax lien and encumbrance record to assist in the recovery of outstanding debts owed the agency.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2863, 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. 2165 Transportation, International and Intergovernmental Affairs on S.B. No. 2440**

The purpose of this measure is to require the county treasurer or other county authorized signatory to disburse moneys of the board of water supply.

Your Committee received testimony in support of this measure from the Kaua'i Board of Water Supply. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure also authorizes the manager and chief engineer of the board of water supply to disburse funds in accordance with duties prescribed by the board of water supply.

According to testimony, this measure is intended for the County of Kaua'i, where delegation of the authority by the Department of Water to sign vouchers requires that state statutes be amended.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2440 and recommends that 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. 2166 Transportation, International and Intergovernmental Affairs on S.B. No. 2182**

The purpose of this measure is to clarify the law on parking spaces reserved for persons with disabilities.

Your Committee received testimony in support of this measure from the Honolulu Police Department, the Disability and Communication Access Board, and Catrala-Hawaii. Testimony in opposition was received from The Hertz Corporation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure provides that:

- (1) The traffic infraction attaches to the driver or registered owner of a vehicle that uses a parking space reserved for persons with disabilities;
- (2) Any citation may be handed to the violator or mailed to the violator when the violator refuses to accept the citation; and
- (3) The citation may be affixed to the vehicle in the manner provided by law in the case of an unattended vehicle.

Your Committee finds that this measure improves the ability of the police departments to enforce disability parking violations and thus preserve the use of accessible parking stalls for those individuals who legitimately are permitted to use such stalls.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2182 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2167 Transportation, International and Intergovernmental Affairs on S.B. No. 2897**

The purpose of this measure is to enact the recommendations of the Ignition Interlock Implementation Task Force pursuant to Act 171, Session Laws of Hawaii 2008, which include establishing:

- (1) Mandatory sentencing for all convicted impaired driving offenders;



- (2) Penalties for tampering or circumventing interlock devices; and
- (3) Stricter laws and increased enforcement to deter persons who may attempt to avoid mandated ignition interlock installation.

Your Committee received testimony in support of this measure from the Departments of Transportation, Department of Health, Honolulu Police Department, Honolulu Prosecuting Attorney, Mothers Against Drunk Driving HAWAII, and the Injury Prevention Advisory Committee. The State Judiciary expressed concerns. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, pursuant to House Concurrent Resolution No. 28, H.D. 1 (2007), the Department of Transportation convened a Hawaii ignition interlock implementation task force comprised of government agencies and community stakeholders to study the feasibility of requiring the installation of ignition interlock devices on vehicles of persons driving under the influence offenders, including exploring and recommending procedures for the introduction of ignition interlock technology to Hawaii. Act 171, Session Laws of Hawaii 2008 and Act 88, Session Laws of Hawaii enacted recommendations of the Hawaii ignition interlock implementation task force which has continued its work through to the present. This measure represents the final installment of legislation to fully implement the program.

Your Committee finds that, while gains have been made in reducing both driving under the influence arrests and the total number of alcohol-related fatalities, today's offender is more likely to have a highly elevated alcohol concentration and, as a whole, Hawaii's rate of alcohol-related fatalities remains unacceptably high. At the same time, people whose licenses have been revoked still need to get to work, to transport their families, and to fulfill other obligations, and there often is no efficient alternative to driving. Just as there is no single cause of this problem, there is no single solution, and Hawaii needs another tool to address it.

Numerous steps have been taken by the Legislature over the past twenty-five years to address the toll exacted from our community by those who operate a motor vehicle under the influence of alcohol or drugs, or both. These include providing increased criminal penalties, from larger fines and longer license suspensions and prison terms to forfeiture of the motor vehicle involved in the crime. New criminal offenses have been created, from causing death with a motor vehicle while under the influence of alcohol or drugs to habitually driving under the influence. Administrative license revocation has been enacted to quickly revoke the driver's license while the courts determine what penalties are appropriate. Special attention has been given to repeat offenders, offenders who are highly intoxicated, youthful offenders, and those who drive under the influence with a child in the vehicle.

Your Committee remains concerned about lifetime driver license revocations that occurred prior to the ignition interlock amendments. Testimony indicated that the Hawaii ignition interlock implementation task force has moved away from recommending lifetime revocation. However, this still leaves approximately 5,000 drivers whose licenses were revoked prior to Act 171, Session Laws of Hawaii 2008, which repealed the provision for lifetime revocation. Your Committee has been assured that the Honolulu Prosecuting Attorney and the Administrative Driver License Revocation Office are working on statutory changes to be recommended to the Legislature after analyzing the implementation of the recent ignition interlock amendments.

Your Committee has amended this measure by:

- (1) Clarifying a penalty provision, on the recommendation of the Honolulu Prosecuting Attorney;
- (2) Changing the effective date to January 2, 2011, which is one day after January 1, 2011, when previous amendments to the same sections take effect, so as to ensure that all of the amendments take effect as intended; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2897, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2168 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2169**

The purpose of this measure is to prohibit the sale and distribution of shark fins in Hawaii.

Testimony in support of this measure was submitted by thirteen organizations and thirty-six individuals. One individual supporting the measure is a surfer from Kauai, who lost his leg in a shark attack. He indicated that he was more concerned about the "crumbling marine environment than getting attacked again." One state agency submitted testimony in opposition. The state agency indicated that the measure, in combination with the current law, has "some elements that make it unenforceable." Written testimony presented to the Committee may be reviewed on the Legislature's website.

The practice of shark finning, where a shark is caught, the fin is cut off, and the shark is returned to the water, causes tens of millions of sharks to die a slow death each year. Unlike other fish species, most sharks do not reach sexual maturity until seven to twelve years of age and then only give birth to a small litter of young. Thus, sharks cannot rebuild their populations quickly once they are overfished. Sharks are apex marine predators and play an important role in maintaining healthy marine ecosystems. As noted in a Honolulu Advertiser opinion piece on February 9, 2010, shark finning is "a cruel and wasteful practice that damages the marine ecosystem by killing off the ocean's most expert predators." Your Committee finds that existing federal and state law is inadequate to effectively abolish the practice of shark finning. This measure is a simple, broad, and all-inclusive stand against shark finning, and asserts Hawaii's position as a leader for shark conservation.

Your Committee has amended this measure to broaden the prohibition of shark finning and ensure its enforceability by:

- (1) Prohibiting any person from possessing shark fins;

- (2) Repealing section 188-40.5, Hawaii Revised Statutes, which permitted the harvest of shark fins if the shark was landed whole, meaning the entire shark with its head and flesh was brought to shore; and
- (3) Making technical, nonsubstantive changes for the purpose of clarity.

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. 2169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2169, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Kokubun).

**SCRep. 2169 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Technology on S.B. No. 2146**

The purpose of this measure is to establish the Planning Special Fund for the operations of the Office of Planning, including personnel costs.

Testimony in support of this measure was submitted by Hawaii's Thousand Friends and one concerned individual. Testimony in opposition of this measure was submitted by the Department of Budget and Finance and the Office of Planning. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The Office of Planning includes the Coastal Zone Management (CZM) Program and the Land Use Division, and in the face of recent reductions in force, the Office has failed to offer a coherent plan to maintain statutorily-defined requirements in such areas as the CZM Program's Ocean Resources Management Plan, Special Management Area Permit administration, and federal consistency reviews. Your Committees believe that the immediate short-term and long-term impacts of the position reductions will result in operational inconsistencies and potential harm from federal penalties, including loss of federal funding support for long-established state programs. Your Committees find that establishing an alternative funding mechanism to ensure that specialized professional and support positions in the Office of Planning are maintained will provide long-term consistency with respect to the State's position on important agricultural lands and avoid potential federal sanctions arising from any failure to competently administer the federal CZM Program.

Your Committees have amended this measure by:

- (1) Revising the description of moneys that may be deposited into the special fund;
- (2) Changing the effective date to July 1, 2050 for the purpose of further discussion; and
- (3) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2146, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2146, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 3 (Kokubun, Slom, Tokuda).

**SCRep. 2170 (Majority) Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2391**

The purpose of this measure is to amend the operating budget of the Office of Hawaiian Affairs and the Department of Hawaiian Home Lands for fiscal years 2009-2010 and 2010-2011.

Testimony in support of the measure was submitted by two organizations and thirteen individuals. Three state agencies support the intent of the measure, and one individual submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure was introduced by Senators Colleen Hanabusa, Senate President; Donna Mercado Kim, the Chair of the Senate Ways and Means Committee; and your Committee Chair. On April 30, 2009, the House and Senate Conference Committee on H.B. No. 900 S.D. 1 in 2009, the budget of the Office of Hawaiian Affairs, members voted in favor of inclusion of these budgetary items with Senators Clayton Hee and Donna Mercado Kim, and Representatives Mele Carroll, Marcus Oshiro, and Gene Ward supporting the budgetary inclusion. Senator Fred Hemmings was the only member who voted no. This measure represents the budget provisos that were publicly voted upon on April 30, 2009, in open budget session by the Conference Committee members, but were inadvertently deleted from the final budget document. As a result of the inadvertent omission of these items, Senators Colleen Hanabusa, Senate President; Donna Mercado Kim, the Chair of the Senate Ways and Means Committee; and your Committee Chair co-introduced this measure to rectify the omission and to include the legislation in the 2010 budget.

Your Committee finds that this measure restores the budget to reflect the agreement reached in the 2009 Conference Committee.

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 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. 2391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2391, 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 (Hemmings). Excused, 2 (Fukunaga, Kokubun).

**SCRep. 2171 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2780**

The purpose of this measure is to protect agriculturally suitable lands on Oahu, meaning lands with a productivity rating of A or B, and provide for mandatory extensions of agricultural leases.

Testimony in support for this measure was submitted by six organizations and thirty-three individuals. One state agency submitted comments. Testimony in opposition was submitted by one state agency, one county agency, and two organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The recently proposed project of Hoopili, a project to build twelve thousand homes on prime agricultural land rated A and B, an area also referred to as the Golden Triangle of farmland, has raised serious concerns about the effectiveness of the State's efforts to protect prime agricultural land. Since 1991, approximately 3,297 acres of A and B rated agricultural lands have been lost on Oahu alone. Your Committee finds that strict protections of prime agricultural lands are necessary to protect the State's agricultural industry and our future food security.

Your Committee has amended this measure by:

- (1) Clarifying that the automatic lease extension shall not apply to leases entered into on or prior to July 1, 2010;
- (2) Permitting the lessee to offer a shorter lease extension or to end the agreement, and clarifying that any additional terms and conditions shall be reasonable and determined by mutual consent;
- (3) Changing the effective date to July 1, 2050 for the purpose of further discussion; and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 2780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2780, 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 (Bunda, Tokuda).

**SCRep. 2172 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2951**

The purpose of this measure is to provide fair compensation when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes.

Testimony in support of the measure was submitted by three organizations and one individual. One organization submitted comments. Testimony in opposition was submitted by two state agencies and one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Cattle ranchers on the Big Island suffered serious financial losses as a result of the Saddle Road widening project. The Department of Land and Natural Resources established a conservation easement on leased land effectively preventing the ranchers from being able to use the leased land for their cattle herds, which required them to reduce their herds at a significant loss. This jeopardized the lessee's entire business model, because the ranchers were unable to mitigate long-term, fixed costs associated with operating a ranch in the way anticipated when the lease was negotiated.

Chapter 171, Hawaii Revised Statutes, presently provides for rent reductions if the land withdrawn causes the land to become unusable for the specific use or uses for which it was originally leased. However, the law provides no other method of compensation. The ranchers are required to maintain insurance and pay taxes for land they cannot use for the specific purpose for which it was originally leased. The Department of Land and Natural Resources posits that rent reduction is sufficiently fair, and that easements do not prevent the lessee from making any beneficial use of the land even when it prevents them using the land for its original intended purpose. Your Committee believes that rent reduction is insufficient, especially where the lessor fails to recognize that the law is designed to take into account the lessee's original intended purpose for leasing the land.

Your Committee finds that this measure provides fair compensation when easements render the land unusable for the lessee's original intended purpose yet requires them to maintain insurance and pay taxes for land that no longer supports their existing businesses.

Your Committee has amended this measure by changing the effective date to July 1, 2050 for the purposes of 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 S.B. No. 2951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2951, 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 (Kokubun, Tokuda).

**SCRep. 2173 Energy and Environment on S.B. No. 2423**

The purpose of this measure is to provide boards of directors with the same authority that apartment owners have under existing law to install or allow the installation of solar or wind energy devices on the common elements of condominiums under appropriate circumstances.

Testimony in support of this measure was submitted by two private organizations and one individual. Testimony in support of the intent of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure capitalizes on an opportunity to further reduce the State's dependence on fossil fuels by facilitating the installation of renewable energy devices in certain areas of condominiums. Your Committee further finds that this measure provides a benefit not only to the State but also to condominium owners who have the potential to reduce their energy costs and to lease or license common elements for the installation of those renewable energy devices.

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. 2423 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Kokubun).

**SCRep. 2174 Energy and Environment on S.B. No. 2488**

The purpose of this measure is to require the electric utilities to compensate net metering surplus customer-generators for excess electricity generated by the customer-generators at the end of the twelve-month reconciliation period and direct the Public Utilities Commission to determine the net surplus compensation rate.

Testimony in support was submitted by five organizations. One state agency and two organizations submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that net energy metering is an essential component of Hawaii's shift to relying on renewable energy. This measure will ensure that customers receive adequate compensation for their investment in renewable energy technologies, and prevent electric utility companies from selling electricity received from customers for no compensation. As the Public Utilities Commission explores alternative compensation systems for the renewable energy marketplace, your Committee finds that net energy metering remains a viable incentive to encourage continued growth of renewable energy investments.

Your Committee has amended this measure by:

- (1) Inserting certain provisions concerning net energy metering from S.B. No. 2333, including:
  - (A) The purpose section;
  - (B) The provision permitting existing net-metered customers to remain with the net metering program once alternative credits or compensation mechanisms are created;
  - (C) The amendment to the definition of "eligible customer-generator" to include customers who lease or purchase electricity from a qualifying facility;
  - (D) The provision increasing eligible customer-generator capacity to two megawatts; and
  - (E) The provision allowing customer-generators up to five hundred kilowatts before the Public Utilities Commission's approval for safety and performance standards is required and requiring the Public Utilities Commission to initiate rulemaking to adopt interconnection standards for certain renewable energy facilities;
- (2) Increasing the total allowable generating capacity produced by customer-generators from 0.5 per cent of a utility's peak demand to fifteen per cent of the customer-generators distribution feeder's penetration level or the penetration level that triggers additional technical study, as determined by the Public Utilities Commission by rule or order, whichever is higher;
- (3) Amending the definition of "net surplus electricity compensation rate" to mean the rate established for export energy under the feed-in tariff for that project size;
- (4) Clarifying that the net surplus electricity compensation rate shall be set at the prevailing feed-in tariff rate for the project size for the year the project is placed in service;
- (5) Changing the date upon which net surplus electricity compensation shall begin to accrue from July 1, 2010 to September 1, 2010; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and formatting.

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. 2488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2488, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Kokubun).

**SCRep. 2175 (Majority) Energy and Environment on S.B. No. 2559**

The purpose of this measure is to require retailers in the State to distribute only recyclable, reusable, or biodegradable checkout bags.

Testimony in support of this measure was submitted by two organizations and forty-seven individuals. Two organizations and three individuals support the intent. One organization submitted comments. Testimony in opposition was submitted by one state agency, three organizations, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Worldwide production of single use plastic grocery bags is estimated to be over five hundred billion each year. Most end up in landfills where they can last for a thousand years. Except for those bags that are recycled and the approximately five per cent that are burned in garbage-to-energy plants each year, the remaining plastic bags that have ever been made are still in the environment. Plastic bags kill an estimated one hundred thousand marine animals each year. Your Committee finds that taxpayers spend as much as seventeen cents per plastic bag to subsidize the recycling, collection, and disposal of plastic bags. Reducing the number of plastic bags produced and used annually will protect marine and animal species, reduce costs related to waste disposal, reduce fossil fuel consumption for their production, and reduce the non-biodegradable litter cluttering our oceans and beaches.

Your Committee has amended this measure by:

- (1) Amending the definition of “single-use plastic checkout bag” to mean a carryout bag that is provided by a store to a customer at the point of sale, which:
  - (A) Does not satisfy the definition for a “reusable bag,” regardless of how many times it can be used; and
  - (B) Is not made of biodegradable plastic;
- (2) Taking into consideration the recommendations of the Surfrider Foundation and the Hawaii Restaurant Association to also exempt stores and restaurants that sell food sold in bulk, prepared foods, and baked goods sold without packaging; and
- (3) 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2559, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Hemmings). Excused, 3 (English, Ihara, Kokubun).

**SCRep. 2176 Human Services on S.B. No. 2662**

The purpose of this measure is to extend the prohibition against disseminating pornographic material to minors to include disseminating pornographic material to another person who represents himself or herself to be a minor; and to add the offense of promoting child abuse in the third degree to the information charging law.

Testimony in support of this measure was submitted by the Honolulu Police Department, the City and County of Honolulu Department of the Prosecuting Attorney, the County of Maui Department of the Prosecuting Attorney, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that in this age of electronic communication, children are in need of greater protection from predators. Your Committee also finds that grooming is a key aspect of this predatory behavior, and it usually involves conduct to gain the child’s trust and develop a relationship. Often times the predator sends the child pornographic images to start the grooming process. Your Committee further finds that law enforcement is supportive of stricter laws to protect children from internet predators and those attempting to disseminate pornography to them.

Your Committee also finds that by giving law enforcement the ability to use the information charging process for the offense of promoting child abuse in the third degree, this measure will conserve judicial, prosecutorial, and police resources.

Your Committee has amended this measure by making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2662, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2177 Human Services on S.B. No. 2044**

The purpose of this measure is to appropriate funds for domestic violence shelters.

Testimony in support of this measure was given by the City and County of Honolulu’s Office of the Prosecuting Attorney, Parents and Children Together, Child and Family Service, and Women Helping Women. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that the rate of domestic violence continues to increase in Hawaii, and without anywhere to go, victims are often forced to stay in the home with their abusers. Your Committee also finds that domestic violence shelters save lives in our community and they are an important part of bettering our community.

Your Committee has amended the measure to change the appropriation amount from a blank amount to one dollar for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2044, 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. 2178 (Joint/Majority) Human Services and Health on S.B. No. 2101**

The purpose of this measure is to increase the vehicle registration tax by one dollar to be deposited into the disability and communication access board special fund to cover costs of parking for persons with disabilities.

Testimony in support of this measure was submitted by the Disability and Communication Access Board, the State Council on Developmental Disabilities, the City & County of Honolulu Division of Motor Vehicle, Licensing and Permits Administration, and four individuals. Testimony in opposition to this measure was submitted by the Department of Transportation. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that providing parking for those in our community that are disabled is an important and essential service and that there are more people applying for such parking. Your Committees also find that there must be additional revenue to keep up with the demand for parking for disabled persons. Your Committees also find that the request of the City and County of Honolulu's Division of Motor Vehicle, Licensing and Permits Administration that the effective date be changed is appropriate.

Accordingly, your Committees have amended the measure to change the effective date to November 1, 2010.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2101, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2101, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 1 (Hemmings). Excused, 3 (Baker, Espero, Ihara).

**SCRep. 2179 (Joint/Majority) Human Services and Health on S.B. No. 2087**

The purpose of this measure is to require, rather than permit, the Department of Health to develop a statewide, coordinated multidisciplinary program which contains a continuum of services to meet the needs to infants and toddlers with special needs.

Testimony in support of this measure was submitted by one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that early intervention is essential to the health and development of children with disabilities such as Down syndrome, traumatic brain injury, and extreme prematurity. Your Committees also note the testimony stressing the need for continued eligibility for early intervention services through the school year for children who turn three years of age during that school year.

Accordingly, your Committees have amended the measure by inserting language that provides for toddlers with disabilities to continue with services past their third birthday when certain prerequisites are met.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2087, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2087, 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, 2 (Baker, Ihara).

**SCRep. 2180 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2522**

The purpose of this measure is to provide that landowners have no duty of care to trespassers, establish a rebuttable presumption of no liability of a landowner if the land is posted with signs, and permit the trespasser to overcome the presumption of no liability of a landowner by establishing by a preponderance of the evidence that the owner was grossly negligent or intentionally injured the trespasser.

Testimony in support of the measure was submitted by one state agency, nine organizations, and fifteen individuals. One state agency and two organizations submitted comments. Testimony in opposition was submitted by one organization and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that large landowners, such as farmers and ranchers, are subject to costly general liability insurance to protect trespassers from natural hazards that are inherent characteristics of agricultural land. Trespassers damage fences and steal agricultural products with no consequences due to the remote locations, easy access, and limited surveillance. Trespassers in hunting parties are armed and pose an immediate threat to landowners. This measure will also protect the State, where trespassers continue to use non-public trails despite repeated warnings not to do so from state officers.

Your Committee has amended this measure by:

- (1) Removing the requirement that a landowner must post signs to establish a rebuttable presumption of no liability; and
- (2) Changing the effective date to July 1, 2050 for the purposes of 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 S.B. No. 2522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2522, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Kokubun, Tokuda).

**SCRep. 2181 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2485**



The purpose of this measure is to authorize the Department of Land and Natural Resources to renegotiate leases with residents of Mokauea Island to facilitate the creation of an educational center where students, teachers, and other members of the public can learn the traditional methods used in a self-sustaining Hawaiian fishing village and establish the Mokauea Island Advisory Committee.

Testimony in support of this measure was submitted by one state agency, four organizations, and fourteen individuals. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mokauea Island is Oahu's last Hawaiian fishing village, located in Keehi Lagoon less than a half a mile from downtown Honolulu. The State attempted to evict the families in 1972, arresting some residents, and in 1975, the State burned down some of the resident's homes. However, in 1978, due to public pressure, the State negotiated long-term leases with the residents if they would rebuild and establish an educational program for local students to learn about traditional fishing and the reef environment. The Mokauea community has faced many obstacles in the last thirty years, from the high cost of rebuilding and living in Honolulu to invasive species and pollution. Since 2005, Kai Makana has been leading the effort to environmentally and culturally restore Mokauea Island. Adopting the original vision for Mokauea Island, its goal is to recreate a living example of a traditional Hawaiian subsistence fishing village as a learning center that will allow for scientific studies and the perpetuation and practice of Hawaiian fishing and seafaring culture.

In 2009, over thirteen hundred students, teachers, and community members participated in service projects on Mokauea Island, including restoration of the fishpond, removal of marine debris, reintroduction of native plants, and removal of invasive seaweeds. Your Committee finds that this measure will facilitate the creation of an education center where students, teachers, and other members of the public can learn the traditional methods used in a self-sustaining Hawaiian fishing village.

The leases issued to the residents of Mokauea Island in 1978 were negotiated by the Department of Land and Natural Resources. However, Executive Order No. 3202 places Mokauea Island under the jurisdiction and management of the Department of Transportation. Thus, your Committee believes that the question of jurisdiction for the purposes of this Act should be left to the Governor to designate.

Your Committee has amended this measure by:

- (1) Inserting a provision to have the Governor designate the state agency that shall have jurisdiction for the purposes of this Act; 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. 2485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2485, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Tokuda).

**SCRep. 2182 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2523**

The purpose of this measure is to exempt dry bulk freight of foreign origin from the inspection, quarantine, and eradication service fee and charge retroactively from July 1, 2007.

Testimony in support of the measure was submitted by four organizations. One state agency and five organizations submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Cement bulk freight is pre-processed aggregate and sand that meets stringent requirements of the American Society of Testing Materials, and typically takes up an entire bulk freighter, which is a ship specially designed to transport unpackaged bulk freight. Prior to leaving for the State, the bulk freight goes through a sampling and inspection process to ensure clearance by the United States Department of Agriculture Animal and Plant Health Inspection Service upon arrival. Similarly, crushed granite aggregate used in hot-mix asphalt involves the excavation of glacial deposits of granite with large scrapers, and then the crushing and washing to the finished product specifications. These processes are subject to strict quality control standards designed to detect and prevent deleterious and organic material in the finished product.

Your Committee finds that this measure provides a narrow exemption from the inspection, quarantine, and eradication service fee and charge for certain kinds of bulk freight, which are inherently unlikely to carry invasive species and are subject to federal inspections.

Your Committee has amended this measure by:

- (1) Expanding the exemption to include aggregate, cement, coal, and liquid bulk freight;
- (2) Inserting definitions for aggregate, cement, coal, and liquid bulk freight;
- (3) Amending the purpose section accordingly; and
- (4) Changing the effective date to July 1, 2050 for the purposes of 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 S.B. No. 2523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2523, 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 (Bunda, Tokuda).

**SCRep. 2183 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2525**

The purpose of this measure is to authorize the Department of Hawaiian Home Lands and the Board of Land and Natural Resources to transfer title in fee simple to lessees of homestead lands.

Testimony in support of the measure was submitted by one individual. Two state agencies and one organization submitted comments. Testimony in opposition was submitted by one state agency, two organizations, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Hawaiian homestead leases, issued by the Department of Hawaiian Home Lands, last for ninety-nine years, however, the lessees cannot collateralize the land to build needed infrastructure for farming or homes to live in. Thousands of native Hawaiians are on the waiting list for homestead lands, and are waiting for the federal government to act. Your Committee finds that this measure needs to move forward to help native Hawaiians provide a way to secure a brighter future today, and fulfill the purposes of the Hawaiian Homes Commission Act. The measure includes provisions to protect the land trust, so that native Hawaiians can acquire the land in fee simple, collateralize the property for needed projects, and sell the land back to the Department of Hawaiian Home Lands. Thereafter, the Department of Hawaiian Home Lands can lease or convey the land to another qualified beneficiary.

Your Committee has amended this measure by conforming the measure to the Attorney General's comments to clarify that the "right of first refusal" means that the Department of Hawaiian Home Lands has the right to reacquire fee simple title to the land.

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. 2525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2525, S.D. 1, and be referred to the Committee on Education and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Takamine, Tokuda). Noes, none. Excused, 3 (Fukunaga, Hemmings, Kokubun).

**SCRep. 2184 Transportation, International and Intergovernmental Affairs on S.B. No. 2545**

The purpose of this measure is to regulate the consumption of liquor on unlicensed premises.

Your Committee received testimony in support of this measure from a member of the State House of Representatives and eight individuals. Testimony in opposition was received from the City and County of Honolulu Liquor Commission and one individual. Your Committee received comments from the Retail Liquor Dealers Association of Hawaii and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The intent of this measure is to require liquor commissions in counties with a population in excess of 500,000 and to authorize counties with a population of 500,000 or less, to regulate the consumption of alcohol on unlicensed premises, commonly known as BYOB (bring your own booze) establishments through requiring a permit. Your Committee heard testimony from residents in areas that have BYOB establishments complaining about late night loud noises and violent activities. BYOBs have become an issue in liquor regulations which heretofore did not have statutory authority to regulate BYOBs in the same manner as licensed premises are regulated. The issue has evolved to one of protecting the public health and safety. This measure addresses that regulatory void.

Your Committee has amended this measure by:

- (1) Allowing patrons of licensed establishments and unlicensed premises to bring home their unfinished bottle of wine from the premises, which would remove the compulsion for patrons to consume in excess on the premises;
- (2) Allowing all counties to regulate BYOBs rather than requiring any county to do so based on population;
- (3) Prohibiting any limit on the hours of liquor consumption on unlicensed premises;
- (4) Making unlicensed premises subject to noise regulations; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 2185 (Joint/Majority) Transportation, International and Intergovernmental Affairs and Public Safety and Military Affairs on S.B. No. 2213**

The purpose of this measure is to provide that each county has the power to establish medical marijuana dispensaries to provide service to qualified patients and primary caregivers registered with the Department of Public Safety.

Your Committees received testimony in support of this measure from the Drug Policy Action Group, American Civil Liberties Union of Hawai'i, and fifteen individuals. Testimony in opposition was received from the Department of Public Safety; Honolulu Prosecuting Attorney; Honolulu Police Department; Hawaii County Prosecuting Attorney; Maui Police Department; and Hawaii County Police Department. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure also makes medical marijuana dispensaries subject to the general excise tax by making inapplicable the exemption for amounts received from sales of prescription drugs or prosthetic devices.

Your Committees find that this measure enhances and effectuates the intent of the medical use of marijuana law, enacted by Act 228, Session Laws of Hawaii 2000. Since that time, more research has indicated the medicinal benefits of marijuana. Your Committee further finds that medical marijuana patients need dispensaries, particularly when their own personal supply is not available due to plant disease, inclement weather, or needs beyond the supply.

Written references to the use of marijuana as a medicine date back nearly 5,000 years. Western medicine embraced marijuana's medical properties in the mid-1800s, and by the beginning of the 20th century, physicians had published more than 100 papers in the Western medical literature recommending its use for a variety of disorders. Modern research suggests that cannabis is a valuable aid in the treatment of a wide range of clinical applications. These include pain relief, particularly of neuropathic pain (pain from nerve damage), nausea, spasticity, glaucoma, and movement disorders. Marijuana is also a powerful appetite stimulant, specifically for patients suffering from HIV, the AIDS wasting syndrome, or dementia. Emerging research suggests that marijuana's medicinal properties may protect the body against some types of malignant tumors and are neuroprotective.

In view of the medical research and literature, your Committees believe that the time has arrived to take a more enlightened and informed approach to the legalization of marijuana. This measure is a natural progression from Act 228. Your Committees are particularly concerned about the legion of medical marijuana patients who testified that marijuana has enabled them to stop taking bottles upon bottles of various prescription drugs that are not as effective in relieving their symptoms and curing their underlying disease.

Your Committee has amended this measure by:

- (1) Changing "marijuana dispensaries" to "compassion centers" modeled after the Rhode Island statutes, and inserting new provisions for a county to allow by ordinance the establishment of one or more compassion centers;
- (2) Providing for mandatory minimum state requirements for compassion centers and for county ordinances;
- (3) Adding a general excise tax of \$30 per ounce to be levied on the compassion center and providing that the State and the county share the revenue equally;
- (4) Changing the effective date to August 7, 2012, to allow adequate time for the counties to enact ordinances pursuant to this measure; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2213, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2213, 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 (Hemmings). Excused, 1 (Bunda).

**SCRep. 2186 Economic Development and Technology on S.B. No. 2299**

The purpose of this measure is to establish a creative media task force to develop legislative initiatives that encourage and enable the development of projects and businesses in the motion picture, television, recording, digital media, and related industries.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Island Film Group; and one individual. The Tax Foundation of Hawaii submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is vital to develop initiatives in support of the creative media industry in Hawaii to offset the impact of the current economic downturn. Creative media enterprises have been among the fastest growing in the global marketplace until recently, and encouraging their continued presence in Hawaii is critical to the State's economic recovery.

Your Committee has amended this measure by authorizing the Director of Business, Economic Development, and Tourism or the Director's designee to serve as an ex-officio member of the creative media task force.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2299, 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 (Hee, Ige).

**SCRep. 2187 Economic Development and Technology on S.B. No. 2829**

The purpose of this measure is to establish a new markets tax credit for a taxpayer that holds a qualified equity investment on a credit allowance date. This measure also provides an exemption for the new markets tax credit from the requirements of section 704(b)(2) of the Internal Revenue Code.

Testimony in support of this measure was submitted by Advantage Capital Partners. The Department of Taxation submitted testimony in opposition. The Tax Foundation of Hawaii submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that nationally, the new markets tax credit (NMTC) program has been a success in attracting long-term capital to companies and projects in low income communities. A January 2010, report on the program by the General Accounting Office found "projects with NMTC financing likely contribute employment and other benefits to low-income communities."

Your Committee further finds that the federal credits are allocated on a competitive basis each year and community development entities choose which states and which companies ultimately receive the NMTC investment. Several states offer an additional incentive for NMTC investments; provided these comply with the federal guidelines and any additional targeting done at the state level. This approach has been very successful because the thirty-nine per cent federal subsidy has not always proved sufficient to complete a worthwhile project without an additional state incentive, and the NMTC program investments are not distributed on a per capita basis like Low Income Housing Tax Credits or Community Development Block Grant programs.

Your Committee is supportive of establishing a matching credit or incentive and the opportunities this will create to attract an additional per capita share in Hawaii.

Your Committee has amended this measure by:

- (1) Authorizing the Department of Taxation to recapture any portion of the tax credit under certain conditions; and
- (2) Requiring the Department of Taxation to provide notice of any proposed recapture of tax credits, and allowing ninety days to cure any deficiency indicated in the Department's original recapture notice, before the recapture is final.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2829, 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 (Hee, Slom).

**SCRep. 2188 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on S.B. No. 2110**

The purpose of this measure is to expedite the construction of affordable housing units by requiring ministerial permits associated with an affordable housing project to be issued by the state or county within forty-five days of acceptance of the permit application for the project.

Testimony in support of this measure was submitted by three state agencies and four private organizations. Testimony in opposition to this measure was submitted by one county agency and one private organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the amount of time it takes to issue ministerial permits subsequent to state and county land use and zoning approvals delays the progress and increases the costs of affordable housing projects. This measure shortens the amount of time within which the State or a county must issue ministerial permits, thereby expediting the construction of affordable housing.

Your Committees have heard the concern that a forty-five-day limit may rush the permit review and approval process by counties, which may lead to health and safety risks. Accordingly, your Committees have amended this measure by:

- (1) Extending the time limit to issue ministerial permits to sixty days commencing upon the receipt by the appropriate state or county agency of a permit application deemed to be complete by the receiving state or county agency; and
- (2) Removing the provisions that limit the maximum number of comprehensive reviews of ministerial permits that a state or county agency may perform to two reviews per year.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2110, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2110, 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, 9. Noes, none. Excused, 2 (Gabbard, Tsutsui).

**SCRep. 2189 (Joint/Majority) Education and Housing and Transportation, International and Intergovernmental Affairs on S.B. No. 2575**

The purpose of this measure is to create an anti-speculation capital gains tax on real property, require public housing provided by county or state financing to remain affordable in perpetuity, and require the restriction on the resale of affordable housing to qualified residents to apply in perpetuity.

Testimony in opposition to this measure was submitted by two state agencies, one county agency, and three private organizations. Comments were submitted by one private organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees have heard the concerns expressed in testimony over the provisions relating to public housing and permanent resale restrictions. Your Committees have responded to these concerns by deleting the provisions relating to public housing and retaining only those provisions relating to the anti-speculation capital gains tax. As amended, this measure provides an infusion into the rental housing trust fund from profit gained through the sale of residential real property sold within two years of acquisition, excluding real property sold to provide affordable rental housing and other exceptions.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose

of S.B. No. 2575, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2575, 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 (Espero). Noes, 1 (Slom). Excused, 2 (Gabbard, Tsutsui).

**SCRep. 2190 (Majority) Education and Housing on S.B. No. 2281**

The purpose of this measure is to amend the salary cap for the Superintendent of Education, Deputy Superintendent, Assistant Superintendents, and Complex Area Superintendents.

Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will provide the Board of Education with greater flexibility in determining salaries for top-level administrators of the Department of Education to attract more qualified candidates for these positions. However, your Committee finds that the additional flexibility must be accompanied by greater accountability and an assurance that the salaries will be commensurate with job performance, responsibilities of the job, and other factors. As a result, your Committee has amended this measure by:

- (1) Requiring the Commission on Salaries to make recommendations to the Board of Education for the salaries of Department of Education top-level administrators, including the Superintendent of Education, Deputy Superintendent, Assistant Superintendents, Complex Area Superintendents, and the State Librarian;
- (2) Requiring the Senate President and the Speaker of the House of Representatives to convene an Ad Hoc Committee to recommend salaries to the Board of Education for the Superintendent of Education, Deputy Superintendent, Assistant Superintendents, Complex Area Superintendents, and the State Librarian for the interim period commencing July 1, 2010, and until the Commission on Salaries' recommendations to the Board of Education take effect;
- (3) Requiring the Board of Education to consider the Ad Hoc Committee's recommendation of salaries until such time that the Commission on Salaries submits its recommendation of salaries;
- (4) Providing that if a constitutional amendment authorizing the Commission on Salaries to make salary recommendations for certain Department of Education personnel is not ratified by December 31, 2014, the Ad Hoc Committee shall still be established, and the salary caps existing pursuant to statute on the day prior to the effective date of this measure shall be effective until the Ad Hoc Committee's salary recommendations to the Board of Education take effect; provided that the Ad Hoc Committee shall be repealed on July 1, 2014, and the salary amounts shall remain at the levels recommended by the Ad Hoc Committee and approved by the Board of Education to take effect on January 1, 2014; and
- (5) Inserting an effective date of July 1, 2050, to ensure further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2281, 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 (Galuteria). Noes, 1 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 2191 (Joint) Human Services and Health on S.B. No. 2474**

The purpose of this measure is to encourage minors to call for help in the event of an alcohol related medical emergency by:

- (1) Providing, under certain conditions, immunity from prosecution to a minor for the consumption, purchase, or possession of liquor, if the minor summons medical treatment for another minor who requires the treatment as a result of consuming liquor; and
- (2) Providing similar immunity, under certain conditions, to the minor who required the medical treatment and one or two other minors acting in concert with the minor summoning medical treatment.

Your Committees received testimony in support of this measure from two individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees recognize that minors faced with a medical emergency as a result of excess drinking often hesitate to call for help because of the fear of facing legal charges related to alcohol possession and use. Providing immunity under these limited circumstances has proven to be an effective means of saving lives by encouraging young people to call for help.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2474 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2192 Public Safety and Military Affairs on S.B. No. 2911**

The purpose of this measure is to clarify the arrest powers under state law for the Federal Bureau of Investigation and Immigration and Customs Enforcement, to extend to these agencies the same arrest powers granted to the United States Customs and Border Protection Service and Citizenship and Immigration Services.



Your Committee received testimony in support of this measure from one government entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The intent of this measure is to extend arrest powers under state law to those federal agencies that play a critical role in the security of the State.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2911, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2911, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 2193 Public Safety and Military Affairs on S.B. No. 2843**

The purpose of this measure is to require the National League of Families' prisoner of war/missing in action flag to be flown with the United States and Hawaiian flags to honor American prisoners of war and military personnel who are missing in action.

Your Committee received testimony in support of this measure from three private entities and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee feels that the prisoner of war/missing in action flag is a symbol of those who have not returned. This measure is consistent with the Pearl Harbor Survivors' motto, "We will never forget." The flag is a constant reminder of their sacrifice and the hope that they will one day come home. Your Committee finds that the flag deserves to be flown on the grounds of state buildings.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2843, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, English).

**SCRep. 2194 Public Safety and Military Affairs on S.B. No. 2768**

The purpose of this measure is to allow the Hawaii Paroling Authority to use a continuum of administrative sanctions in lieu of re-incarceration when a parolee violates a term or condition of parole.

Your Committee received testimony in support of this measure from one government entity and two nonprofit entities. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure provides that in lieu of suspension and revocation of parole, the Hawaii Paroling Authority may utilize a continuum of administrative sanctions for violations of terms and conditions of parole. The purpose of a continuum of administrative sanctions is to encourage the Hawaii paroling authority to work with offenders in the community rather than revoking parole for violations of terms and conditions of parole.

As part of the continuum of administrative sanctions, if the Hawaii Paroling Authority deems it appropriate to return the parolee to custody for a violation of a term or condition of parole, the parolee must be returned to custody for a length of time to be determined by Hawaii Paroling Authority but not to exceed two years in the case of a technical violation.

Your Committee has amended this measure on the recommendation of the Hawaii Paroling Authority by:

- (1) Deleting reference to "suspension" of parole in the context of when a continuum of administrative sanctions may be imposed;
- (2) Clarifying that as part of the continuum of administrative sanctions, if a parolee must be returned to custody, a technical violation of parole requires that the parolee be returned to custody for not more than two years before being eligible for parole consideration; and
- (3) Adding prior parole revocation to the circumstances under which administrative sanctions shall not apply.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2768, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Hemmings).

**SCRep. 2195 Public Safety and Military Affairs on S.B. No. 2365**

The purpose of this measure is to prohibit the use of consumer fireworks at any time, except for religious or cultural purposes as allowed by county permit.



Your Committee received testimony in support of this measure from three government entities, one private nonprofit entity, and twenty-four individuals. Testimony in opposition was received from one private entity and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Honolulu Fire Department and the Honolulu Emergency Services respond to numerous calls for service involving fireworks related incidents. These calls put a tremendous strain on the resources of all emergency service providers. Injuries or death due to fireworks are a major concern along with the health hazards to individuals with respiratory problems.

Your Committee believes that each county's situation is unique in holiday celebrations with fireworks. Therefore, each county should decide on the parameters of issuing county permits for fireworks used for religious or cultural purposes.

Your Committee has amended this measure by allowing a county to opt out of the ban, in which case current law would still apply.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2365, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2365, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Bunda).

**SCRep. 2196 Public Safety and Military Affairs on S.B. No. 2202**

The purpose of this measure is to provide immunity from liability for voluntarily providing private shelter in case of natural or man-made disaster.

Your Committee received comments from the State Civil Defense. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that existing law in section 128-19, Hawaii Revised Statutes, provides immunity from liability of a private shelter in times of enemy attack. However, there is no comparable provision in chapter 127, Hawaii Revised Statutes, pertaining to natural disasters. The clear intent of the measure is to provide immunity from liability for providing shelter in case of natural disaster rather than in case of enemy attack.

Your Committee has amended this measure by amending section 127-7, Hawaii Revised Statutes, rather than section 128-19, Hawaii Revised Statutes, to provide immunity from liability in case of natural disasters.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2202, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Hemmings).

**SCRep. 2197 Public Safety and Military Affairs on S.B. No. 2702**

The purpose of this measure is to allow federal reimbursement moneys for disaster relief to be deposited into a trust account for disaster relief.

Your Committee received testimony in support of this measure from the one government entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Current law in section 37-41, Hawaii Revised Statutes, requires that unexpended appropriations be returned to the general fund. The State Department of Defense pays disaster relief expenses out of operating funds to be later reimbursed from federal funds which would lapse into the general fund. The intent of this measure is to allow federal reimbursements to be held in a trust account to ensure that these funds do not lapse at the end of the fiscal year. This measure would preserve federal funds in a trust account to be available for expenditure on disaster relief.

Your Committee has amended this measure by explicitly stating that federal reimbursement funds in the trust account for disaster relief shall not lapse into the general fund, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2702, 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 (Bunda, English).

**SCRep. 2198 (Joint/Majority) Water, Land, Agriculture, and Hawaiian Affairs and Higher Education and Education and Housing on S.B. No. 2903**

The purpose of this measure is to require the Department of Education, the Charter School Administrative Office, and the Hawaiian Language College at the University of Hawaii at Hilo to enter into an agreement regarding the Hawaiian Language College's functions related to Nawahiokalani'opu'u School and other laboratory schools.

Testimony in support of this measure was submitted by two organizations and one individual. One state agency submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Nawahiokalanai'opu'u School was one of eight schools out of fifty-five on Hawaii island to achieve the highest rating for No Child Left Behind testing. The high school has a one hundred per cent graduation rate and an eighty per cent college attendance rate. Your Committees find that this measure will strengthen Hawaiian medium education by using Hawaiian in administrative communication, modifying administrative services to meet unique Hawaiian medium education in-service needs, and modifying other standard English medium education practices as appropriate to meet the unique needs of education within the context of revitalizing the endangered Hawaiian language.

Your Committees have amended this measure by changing the effective date to July 1, 2050 for the purposes of further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Higher Education and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2903, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2903, 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 (Taniguchi). Noes, 1 (Slom). Excused, 3 (Bunda, Chun Oakland, Tokuda).

**SCRep. 2199 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2942**

The purpose of this measure is to abolish the Aloha Tower Development Corporation and transfer its functions to other state agencies.

Specifically, this measure:

- (1) Transfers the Aloha Tower Development Corporation to the Hawaii Community Development Authority;
- (2) Transfers the Harbors Modernization Group to the Department of Transportation, Harbors Division;
- (3) Places the Commercial Harbors Modernization Plan under the Harbors Modernization Group;
- (4) Provides for the appointment of new Harbors Modernization Group members, an executive director, and staff; and
- (5) Makes an appropriation.

Testimony in support was submitted by one organization. Four state agencies and one organization submitted comments. Testimony in opposition was submitted by three organizations and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that with the economic downturn affecting the state budget, a comprehensive reexamination of the structure of state government is necessary to ensure that all available avenues have been explored to accomplish more with fewer resources. The projected deficit through June 2011 is \$1.2 billion, the equivalent of approximately \$1,200 for every man, woman, and child in the State. Your Committees believe this measure can effectively transfer the functions of the Aloha Tower Development Corporation to another agency without unnecessarily delaying any of the needed improvements to our State's harbors.

Your Committees have amended this measure by:

- (1) Removing the provision authorizing the hiring of an executive director and staff;
- (2) Placing the Harbors Modernization Group in the Department of Transportation, under the Director rather than within the Harbors Division;
- (3) Removing the provision for the Director of Transportation to serve on the Hawaii Community Development Authority to represent the Aloha Tower complex, because the Director presently serves as an ex officio, voting member of the Authority;
- (4) Changing the effective date to July 1, 2050 for the purposes of further discussion; and
- (5) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2942, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2942, 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 (Espero, Fukunaga, Kokubun, Tokuda).

**SCRep. 2200 Human Services on S.B. No. 2075**

The purpose of this measure is to appropriate funds to implement the State Commission on Fatherhood's strategic plan.

Your Committee received testimony in support of this measure from the State Commission on Fatherhood. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appropriating funds to the State Commission on Fatherhood (Commission) will allow the Commission to reimburse neighbor island Commissioners for travel expenses, establish an office, hire a director, and hire a clerical staff person. Your Committee notes that the Commission has a statutory duty to serve in an advisory capacity to state agencies to promote healthy family relationships between parents and children, including by acting as a central clearinghouse and coordinating body for governmental and nongovernmental activities and information for the promotion of healthy families. Your Committee finds that providing funding for the Commission will allow the Commission to carry out its duties and functions.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2075 and recommends that 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. 2201 (Joint/Majority) Human Services and Health on S.B. No. 2088**

The purpose of this measure is to provide a supplemental dedicated source of funding for community-based, family-centered, early intervention services by means of an increase in the liquor tax.

Testimony in support of this measure was submitted by Healthy Mothers Healthy Babies Coalition of Hawaii, Parents and Children Together, and Easter Seals Hawaii. Testimony in opposition to this measure was submitted by the Department of Budget and Finance, the Distilled Spirits Council of the United States, The Legislative Center, the Wine Institute, and Kona Brewing Company. The Tax Foundation of Hawaii submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that Hawaii's families require programs that provide early intervention services for infants and toddlers with developmental delays that proactively address biological and environmental risk factors that cause developmental delays. Your Committees also find that although the intent of the measure is an important one, an increase in the alcohol tax may not be the most appropriate way to fund early intervention programs. Your Committees further find that using funds from the Healthy Hawaii Initiative program administered through the Department of Health would be the most appropriate source of funding.

Accordingly, your Committees have amended the measure by deleting all language referring to an alcohol tax increase and substituting language enabling the use of funds provided for the Healthy Hawaii Initiative program as a supplemental dedicated funding source for early intervention programs.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2088, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2088, 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, 2 (Baker, Ihara).

**SCRep. 2202 (Joint/Majority) Human Services and Health on S.B. No. 2089**

The purpose of this measure is to exempt the Healthy Start program from the state budget allotment system and to establish the Healthy Start program in statute.

Testimony in support of this measure was submitted by the University of Hawaii, Child & Family Service, The American Congress of Obstetricians and Gynecologists, Hawaii Section, and Parents and Children Together. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that because higher learning is dependent upon the framework developed in the brain at a very young age, it is important to ensure that children who are vulnerable to impaired brain growth through obstacles in early childhood development have access to services. Your Committees also find that the cognitive brain development for children starts at a very young age, and more complex learning is built upon what is developed when they are young. When children are neglected or abused, their brain's architecture becomes vulnerable to damage, which leads to later problems with higher learning.

Your Committees further find that the costs of neglecting early intervention will be costlier in the future, and that it is essential to avert or minimize toxic stresses that cause long-term damage to children.

Your Committees have amended this measure by deleting the provisions that exempt the Healthy Start program from the allotment system and inserting provisions that require the Department of Health to provide comprehensive perinatal screenings.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2089, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2089, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5; Ayes with Reservations (Green). Noes, 1 (Hemmings). Excused, 2 (Baker, Ihara).

**SCRep. 2203 Human Services on S.B. No. 2417**

The purpose of this measure is to appropriate general funds to prevent the further reduction of general assistance payments from the Department of Human Services.

Testimony in support of this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the general assistance program is scheduled to expend all appropriated funds before the end of the current fiscal year, leaving the Department of Human Services with an insufficient balance to maintain the current maximum general assistance benefit. This measure provides a safety net for those who depend heavily upon general assistance for living expenses by preventing the further reduction of general assistance payments in the third and fourth quarters of fiscal year 2009-2010.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2417 and recommends that 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. 2204 (Joint/Majority) Human Services and Health on S.B. No. 2099**

The purpose of this measure is to ensure continuity of care for the neediest population in Hawaii and to make certain that Medicaid contracts reflect expectations outlined in national health care reform, by establishing restrictions on the issuance of request for proposals for QUEST contracts.

Specifically, this measure restricts the Department of Human Services from issuing a Request for Proposals for the QUEST health plans in the year 2010.

Testimony in support of this measure was submitted by Hawaii Medical Service Association (HMSA), AlohaCare, and Faith Action for Community Equity. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees finds that there are a number of changes in the future for both Medicaid and for the Department of Human Services, such as federal guideline changes for Medicaid and a soon-to-be changing executive branch administration. Your Committees also find that issuing a request for proposals for QUEST health plans at this juncture would be impractical given the fluid circumstances and costly for both health care providers and the Department of Human Services at a time when state budget restrictions are being imposed.

Currently, HMSA is providing coverage for QUEST members under a contract extension and it is HMSA's understanding that the extension will be in place until July 2011.

Under the circumstances, your Committees find that this measure will protect the interests of the State, participating QUEST health plans, and QUEST members.

Your Committees have made technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2099, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2099, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, 1 (Hemmings). Excused, 2 (Baker, Ihara).

**SCRep. 2205 Human Services on S.B. No. 2076**

The purpose of this measure is to extend from two to four years the term of office of members of the Commission on Fatherhood.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Commission on Fatherhood was established by the Legislature in 2003 in recognition of the important and unique role fathers play in the lives of their children, families, and communities, and to serve in an advisory capacity to state agencies to promote healthy family relationships between parents and children. Your Committee finds that extension of the terms of the Commission's members will enable the Commission to benefit from members' institutional knowledge and continuity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2076 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. 2206 Health on S.B. No. 2844**

The purpose of this measure is to prohibit health insurers from denying coverage for an organ or tissue transplant:

- (1) If the denial is due to the insured's human immunodeficiency virus (HIV) status; and
- (2) If the insured's health insurance policy includes coverage for such services.

Your Committee received testimony in support of this measure from Kaiser Permanente and the American Civil Liberties Union of Hawai'i. Comments were received from the Department of Commerce and Consumer Affairs and the Hawaii Association of Health Plans. Testimony in opposition was received from the Hawaii Medical Service Association.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that organ transplants are among the most expensive of medical procedures. In 2007, total bills for a liver transplant during the first year averaged \$520,000, and \$660,000 for a heart transplant, according to a Seattle-based actuarial consulting firm.

Your Committee also finds that much progress has been made in recent years in the fight against HIV/AIDS, improving not only the quality of life for people infected with the virus, but affording many of them a normal life expectancy. Kidney disease and liver disease now pose two of the greatest threats to HIV-infected individuals, and until recently, the chances of these patients receiving new

organs were slim. Thanks to groundbreaking research, HIV infection is no longer an impenetrable barrier to a successful transplant. Given these developments, your Committee finds that this measure will save lives and further prevent discrimination against those living with HIV.

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. 2844 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2207 Health on S.B. No. 2102**

The purpose of this measure is to require insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations using drug formularies or prior authorization requirements to establish drug formulary advisory boards.

Specifically, the measure requires the establishing of drug formulary advisory boards comprised of eleven members to develop and update the drug formularies and authorization requirements. This measure further provides that all drug formularies and prior authorization requirements used by insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations be submitted to the Insurance Commissioner.

Your Committee received testimony in support of this measure from the Hawaii Medical Association and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Medical Service Association, the Ohana Medical Association, the Hawaii Association of Health Plans, and one individual. The Department of Commerce and Consumer Affairs offered testimony in support of intent of this measure. The American Council of Life Insurers submitted testimony with comments on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that drug formulary boards are a necessary quality and consumer protection measure and that insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations have already implemented them as a standard business practice. Your Committee further finds that many of these formulary boards are outsourced and are not necessarily sensitive to or reflective of issues particular to Hawaii, as a result there are administratively burdensome rules and, possibly, a lower standard of care.

Your Committee has amended this measure by:

- (1) Eliminating the requirement for insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations to establish drug formulary boards;
- (2) Requiring that at least a majority of board members on formulary boards developing or updating drug formularies or prior authorization requirements be Hawaii residents or currently practicing in Hawaii; and
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2102, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2208 (Joint) Health and Higher Education on S.B. No. 2390**

The purpose of this measure is to broaden the practical experience requirements for a pharmacist license to include experience obtained in the United States territories and the District of Columbia as well as to allow practical experience to be obtained in locations other than pharmacies.

Your Committees received testimony in support of this measure from CVS Caremark/Longs Drugs, the University of Hawai'i at Hilo College of Pharmacy, Kaiser Permanente Hawaii, the Guam Pharmacists Association, and three individuals. Testimony in support of the intent of the measure with amendments was received from the Board of Pharmacy. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will encourage student pharmacists from the United States territories in the Pacific Basin to enroll at the University of Hawaii at Hilo College of Pharmacy. Your Committees further find that this measure will expand the number and diversity of practical experience rotations available to University of Hawaii at Hilo College of Pharmacy Students.

Your Committees have amended this measure by:

- (1) Requiring that the registered pharmacist supervising the practical experience of an applicant for a pharmacist license be duly registered or licensed in the state, territory or district where the experience is obtained; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2390, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2390, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair and the Vice President on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Hemmings, Kokubun, Sakamoto, Slom).



**SCRep. 2209 Commerce and Consumer Protection on S.B. No. 2910**

The purpose of this measure is to prohibit a foreclosing mortgagee from requiring a buyer of residential real property that is improved by four or fewer dwelling units to purchase the services of a title insurer or escrow depository specified by the foreclosing mortgagee.

Your Committee received testimony in support of this measure from Title Guaranty Escrow Services, Inc. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that as foreclosures increase in the State, it becomes even more important to assure that the process is carried out fairly to all parties involved, including the purchasers of foreclosed properties. Your Committee finds that this measure prohibits a foreclosing mortgagee from unfairly using its institutional leverage to purchase title insurance or guarantee services from a provider dictated by the mortgagee. Your Committee finds that this practice not only impinges on the purchaser's right to contract freely and disadvantages local businesses in favor of out-of-state interests that have preexisting relationships with large institutional lenders, but it also contravenes federal law. Your Committee notes that although the Real Estate Settlement Procedures Act prohibits a seller from requiring a buyer to purchase title insurance from a particular insurer as a condition of sale, the federal law is rarely enforced and the practice continues to be widespread. Finally, your Committee notes that California and Florida have also passed similar legislation to this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2910 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 2210 Ways and Means on S.B. No. 2807**

The purpose of this measure is to propose a constitutional amendment to article VII, section 6, of the Hawaii constitution to authorize the Legislature to determine whether excess funds should be used as tax refunds or tax credits to taxpayers or be diverted to the State's emergency and budget reserve fund.

Your Committee received testimony in opposition to this measure from the Governor and one state agency. One organization offered comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the requirement that the Legislature dispose of excess revenues is established in article VII, section 6, of the Hawaii Constitution. On the other hand, the emergency and budget reserve fund is established in section 328L-3, Hawaii Revised Statutes, as a temporary supplemental source of funding for the State during times of emergency, economic downturn, or unforeseen reduction in revenues.

Your Committee finds that making a specific reference in the Hawaii constitution to a section of the Hawaii Revised Statutes might restrict the Legislature's ability to someday amend or reorganize that portion of the statutes unless and until the Hawaii constitution is amended.

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

- (1) Restoring the mandate upon the Legislature to dispose of the excess revenues; and
- (2) Removing the specific reference to section 328L-3, Hawaii Revised Statutes, and replacing it with more general language referring to the "emergency and budget reserve fund established by law".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2807, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Hee, Hemmings, Tokuda).

**SCRep. 2211 (Joint) Public Safety and Military Affairs and Commerce and Consumer Protection on S.B. No. 2137**

The purpose of this measure is to allow military personnel deployed outside the State on federal active duty to cancel or suspend health club membership at any time during the contract term under certain conditions.

Your Committees received comments from the Office of Consumer Protection. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that military personnel who are deployed on active duty and by reason of the deployment are unable to use the health club facilities and services, should be entitled to cancel or suspend the health club contract.

Your Committees have amended this measure by:

- (1) Deleting the provision that allows the health club to retain a portion of the contract price plus a reimbursement for expenses;
- (2) Adding a provision to require a pro rata refund to the member;
- (3) Clarifying that proof of deployment is required to cancel or suspend the contract; and



- (4) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2137, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2137, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (Bunda, Sakamoto).

**SCRep. 2212 Health on S.B. No. 2162**

The purpose of this measure is to amend the Crime Victims' Bill of Rights to include notice as to an offender's unfitness to stand trial, transfer to the state hospital or other psychiatric facility, or regaining fitness to proceed.

This measure further requires the Department of Health to provide notice to victims requesting notice in writing of an offender's unauthorized absences from a Department of Health facility or services.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney Victim/Witness Assistance Division, County of Maui and the Crime Victim Compensation Commission. Your Committee received testimony in opposition to this measure from the Department of Health. The Department of the Prosecuting Attorney, City and County of Honolulu, provided testimony in support of the intent of the measure with amendments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides an important, and previously lacking, means of notifying victims and victims' families of major developments regarding the defendant or perpetrator of a crime against them, particularly in instances where the offender has an unauthorized absence from a facility or services contracted for or operated by the Department of Health and when there are changes in custody, including escape and discharge.

Your Committee has amended this measure by:

- (1) Requiring the Department of Health to provide the foregoing notification to the County Victim Witness Assistance Divisions of the applicable county Department of the Prosecuting Attorney so that these Divisions can assist with providing direct notification to victims and others; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2162, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 2213 (Majority) Higher Education on S.B. No. 2388**

The purpose of this measure is to exempt the University of Hawaii from Hawaii Public Procurement Code requirements.

Testimony in support of this measure was submitted by the University of Hawaii System and the University of Hawaii at Manoa Athletics Department. The State Procurement Office, Subcontractors Association of Hawaii and American Council of Engineering Companies of Hawaii submitted testimony in opposition. The Coalition of Hawaii Engineering and Architectural Professionals submitted proposed amendments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides the University of Hawaii with greater flexibility in procurement, which is especially helpful in completing much-needed maintenance and capital renewal projects in a timely manner. Your Committee further finds that the University of Hawaii and the American Council of Engineering Companies of Hawaii have agreed to amendments relating to the procurement of design professional services; however, the State Procurement Office and the Subcontractors Association of Hawaii still have concerns with this measure and have yet to agree on the means to adequately address these concerns.

In accordance with the findings, your Committee has made the following amendments to this measure:

- (1) Requiring that design professional services furnished by licensees under chapter 464, Hawaii Revised Statutes, shall be procured by the Board of Regents or the University of Hawaii pursuant to section 103D-304, Hawaii Revised Statutes;
- (2) Inserting an effective date of July 1, 2050, to allow for further discussion of this measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

This measure addresses recurring issues such as the application of consistent and fair procurement laws across state agencies and the appropriate balance of procurement flexibility and accountability that state agencies require to operate efficiently and effectively. Your Committee recognizes that these are challenging issues and encourages continued dialogue among the parties to address these unresolved issues.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2388, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Sakamoto). Noes, 1 (Slom). Excused, 3 (Baker, Taniguchi, Tokuda).

**SCRep. 2214 Commerce and Consumer Protection on S.B. No. 2603**

The purpose of this measure is to bring Hawaii into full compliance with the requirements of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Mortgage Lending Act) by amending the State's implementing statutes and providing the Division of Financial Institutions with the necessary resources and authority to implement the regulatory structure required under federal law.

Your Committee received testimony in support of this measure from the Hawaii Association of Mortgage Brokers and Hawaii Financial Services Association. Testimony in opposition to this measure was received from the Hawaii Bankers' Association and the Hawaii Credit Union League. Comments on this measure were received from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the federal S.A.F.E. Mortgage Lending Act, Public Law 110-289, requires that all states enact legislation that complies with the federal law before January 1, 2011. Your Committee finds that failure to enact sufficient legislation will result in the usurpation by the federal Department of Housing and Urban Development of the State's authority to regulate its domestic residential real estate mortgage industry. Your Committee finds that it is unacceptable for the State to cede regulatory authority over a domestic industry to the federal government, especially since this industry involves purely intra-state matters and local regulation is necessary to account for Hawaii's unique real estate market. Your Committee finds that failure of the State to properly license mortgage professionals by January 1, 2011 would bring the State's mortgage lending industry to a halt since individuals and companies not licensed in compliance with the S.A.F.E. Mortgage Lending Act would be unable to provide mortgage loan services without violating federal law. Your Committee notes that the Legislature began the process of complying with the S.A.F.E. Mortgage Lending Act with the passage of Act 32, Session Laws of Hawaii, 2009, (Act 32) which created chapter 454F, Hawaii Revised Statutes.

Your Committee notes that this measure leaves the regulatory structure established by Act 32 largely in place, making amendments only for the purpose of ensuring compliance with federal law. Your Committee finds that the bulk of the substantive provisions contained in this measure constitute provisions for the administration of the system created by Act 32. Your Committee finds that these regulatory guidelines, which normally would be accounted for in administrative rules, are here included in statute in order to ensure that the State does not inadvertently fall out of compliance with federal regulations due to a lengthy rule-making process that would imperil the State's ability to timely implement the necessary regulatory program.

Your Committee finds that the mortgage recovery fund created by this measure is intended to make it easier for a person aggrieved by the fraud, misrepresentation, or deceit of a mortgage licensee to obtain some economic relief. Your Committee notes that these provisions are intended to model the Real Estate Recovery Fund, since that fund has proven to be exceptionally efficient and user-friendly for regulators, licensees, and persons seeking compensation for losses caused by licensees.

Your Committee finds that the staff hiring authorized by this measure is adequate to meet the Division of Financial Institution's need to timely complete the processing of applications for licensure. Your Committee is sympathetic to the Division's need for employees who are able to process confidential information contained in applications in an appropriate manner. Your Committee finds that the staffing pattern authorized by this measure is adequate to meet that need, particularly through the use of existing state employees who are accustomed to information practice and confidentiality standards.

Your Committee finds that the inclusion of amendments to the appropriation contained in Act 32 is necessary because of the Governor's refusal to release the funds necessary for the Division of Financial Institutions to hire staff to implement Act 32. It is the intention of your Committee that the Division of Financial Institutions be able to hire staff effective immediately upon the effective date of this measure in order that Hawaii's mortgage professionals may be licensed by the federal deadline. Failure to timely license the State's mortgage professionals will result in an unacceptable interference in the commerce of the State, since individuals and businesses without proper licensing will be unable to process applications and issue mortgages without running afoul of federal law. Your Committee finds that it would be catastrophic to Hawaii's economic situation to shut down an entire financial industry, particularly one that is as important to the state as the residential mortgage industry.

Your Committee has amended this measure by:

- (1) Clarifying the provisions relating to nondepository financial services loan companies;
- (2) Clarifying that licensees, and certain persons exempt from licensing, shall register and maintain a unique identifier with the Nationwide Mortgage Licensing System;
- (3) Renaming the mortgage recovery fund established in the measure the mortgage loan recovery fund and further providing for its administration in order to facilitate recovery for injury due to the fraud, misrepresentation, or deceit of a licensee;
- (4) Adding a requirement for prior authorization to establish a branch office or to relocate an office and for notice to close a branch office;
- (5) Specifying that fees, fines and charges collected pursuant to chapter 454F, Hawaii Revised Statutes, except fees payable to the mortgage loan recovery fund, shall be payable through the Nationwide Mortgage Loan Service, where accepted and that all other fees, fines, and charges shall be payable to the Division of Financial Institutions;
- (6) Deleting a provision to statutorily create new permanent positions in the Division of Financial Institutions;
- (7) Changing the amount of fees payable by licensees in order to reflect the cost of maintaining the required regulatory system;
- (8) Adding a new section to establish procedures for voluntary cessation of operations and surrender of a license;
- (9) Adding a new section to establish procedures and fees for change in control of a licensee;
- (10) Adding a new section to permit the Division of Financial Institutions to hire an attorney for any action involving the mortgage loan recovery fund;

- (11) Adding new definitions to chapter 454F, Hawaii Revised Statutes, and amending existing definitions;
- (12) Clarifying that exempt registered mortgage loan originator companies, insured depository institutions, and loan processors or underwriters who do not advertise or engage in the performance of the functions of a mortgage loan originator are exempt from licensure and regulation under chapter 454F, Hawaii Revised Statutes;
- (13) Reinstating the requirement that an applicant for licensure furnish information concerning the applicant's identity to the Commissioner of Financial Institutions and the Nationwide Mortgage Licensing System and extending this requirement to the control persons, executive officers, directors, general partners, and managing members of applicants other than individuals;
- (14) Requiring an applicant other than an individual to be licensed to do business in the State to qualify for licensure;
- (15) Requiring applicants and control persons, executive officers, directors, general partners, and managers of applicants other than individuals to consent to background checks in each state where the person has conducted mortgage loan activities;
- (16) Clarifying that a license shall expire due to failure to meet continuing education requirements;
- (17) Adding a provision to allow for additional civil penalties for violations that are directed toward, target, or injure an elder;
- (18) Authorizing the Commissioner of Financial Institutions to assess costs for certain expenses related to investigations or examinations to the subject of an investigation or examination and creating a reporting procedure for suspected violations;
- (19) Clarifying that it is a prohibited practice to provide a false or misleading statement on an application for licensure;
- (20) Authorizing the Commissioner of Financial Institutions to hire and employ certain permanent and temporary staff to implement the licensing and regulatory system created by chapter 454F, Hawaii Revised Statutes;
- (21) Deleting the portion of Act 32 that allowed for an individual to be credited for fees paid for a license under chapter 454, Hawaii Revised Statutes, to be credited to licensing fees under chapter 454F, Hawaii Revised Statutes;
- (22) Amending Act 32 to specify the positions for which the appropriation is authorized;
- (23) Removing language that allowed for provisional licenses to account for delays in processing applications for licensure under chapter 454F, Hawaii Revised Statutes;
- (24) Deleting a section that authorized the Commissioner of Financial Institutions to hire temporary employees;
- (25) Specifying the amount appropriated from the compliance resolution fund and specifying the permanent and temporary positions authorized to be paid from that appropriation;
- (26) Authorizing the Director of Commerce and Consumer Affairs to execute agreements with the Directors of Human Resource Development and Taxation to temporarily share employees for the purpose of processing the large number of initial applications for licensure under chapter 454F, Hawaii Revised Statutes;
- (27) Changing the effective date for the purpose of efficiently implementing the provisions of this measure;
- (28) Updating statutory cross references to chapter 454F, Hawaii Revised Statutes, and to federal law; and
- (29) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2603, 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 (Sakamoto).

**SCRep. 2215 Health on S.B. No. 2490**

The purpose of this measure is to appropriate funds from the Community Health Centers Special Fund for use by community health centers in the State, and to require the Governor to release the revenues in the Community Health Centers Special Fund for use in fiscal year 2010-2011.

Your Committee received testimony in support of this measure from the Department of Health; Hawai'i Primary Care Association; Aloha Care; Hawaii Dental Hygienists Association; Waianae Coast Comprehensive Health Center; Waimanalo Health Center; Waikiki Health Center; Lanai Community Health Center; Ho'ola Lahui Hawaii; Kailua Neighborhood Board No. 31; National Cornerstone Healthcare Services Inc.; Bay Clinic, Inc.; and forty individuals. Comments were received from the Department of the Attorney General. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 316, Session Laws of Hawaii 2006, increased the state taxes on cigarettes, and allocated a portion of the increased tax revenue to community health centers in Hawaii. The amount of cigarette tax revenue collected in fiscal year 2008-2009 for the benefit of community health centers is estimated to be \$9,000,000, an average of less than \$600,000 per community health center. The administration and the Department of Health have not released these revenues for use by community health centers in the State. The Department of Health testified that it supports this measure but it is restricted in what it can spend because of the budget ceiling. This measure addresses and remedies the budget limitation.

Your Committee notes that the Legislature is vested with the constitutional powers to make appropriations as provided in Article-VII, section 9, of the Hawaii State Constitution. The Hawaii State Constitution is silent on any specific grant of authority to the Governor to restrict the expenditure of appropriated funds, instead the matter is relegated to law (Article VII, section 5). Furthermore,

there is no specific statutory authority allowing the Governor to withhold the release of funds that have been appropriated by the Legislature. That authority is inferred from the allotment system.

Your Committee is of the opinion that the absence of any specific constitutional or statutory authority for the Governor to withhold the release of appropriated funds evinces a clear intent by the Legislature, which proposes constitutional amendments and enacts statutes, that the Governor should not have such authority. An opinion from the State Attorney General, as requested by your Committee, is only able to cite case law which relies upon judicial interpretation of constitutional and statutory law in an effort to fill in what is explicitly missing. Your Committee cannot accept such rationalization where the public health is concerned.

Your Committee has amended this measure by changing the effective date to July 1, 2010 to be consistent with the fiscal year appropriation.

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. 2490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2490, 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, none.

**SCRep. 2216 Health on S.B. No. 2729**

The purpose of this measure is to establish the Hawaii immunization registry to maintain a single statewide repository of immunization records.

Your Committee received testimony in support of this measure from Department of Health; Kaiser Permanente; Hawaii Medical Service Association; Hawaii Family Forum; Hawaii Association of Independent Schools; Hawaii Association of Health Plans; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The purpose of establishing a single statewide repository of immunization records is to aid, coordinate, and help promote efficient and cost-effective screening, prevention, and control of vaccine preventable diseases, including pandemic influenza. For patients who change health care providers, the Hawaii immunization registry will be accessible by their new provider to ensure that patients receive the immunizations they need while preventing the administration of unnecessary doses of vaccine.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2729, 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, none.

**SCRep. 2217 (Joint) Health and Human Services on S.B. No. 2931**

The purpose of this measure is to require the Department of Health to develop a four-year state plan relating to the delivery of mental health and substance abuse service in each geographic service area with specific emphasis on special populations.

Your Committees received testimony in opposition to this measure from the Department of Health. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that federal law already requires a statewide mental health services plan for children and adults and this measure would be duplicative.

Your Committees have amended this measure to require the Department of Health to submit to the Legislature a copy of all reports written and submitted by the Alcohol and Drug Abuse Division, the Adult Mental Health Division, and the Child and Adolescent Mental Health Division to the federal government pursuant to United States Code, Title 42, section 300x-1.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2931, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2931, 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. 2218 Education and Housing on S.B. No. 2350**

The purpose of this measure is to allow the student Board of Education member to be a voting member and mandates the election of the student Board of Education member to be made by public secondary school students.

Testimony in support of this measure was submitted by three state agencies and thirteen individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that membership of an elected student member will assist the Board of Education in developing insight into the perspectives of students and be better equipped to address the concerns of students. Your Committee also finds that membership of an elected student member will enhance the Board of Education's understanding and knowledge of issues that are essential to providing the best education that is possible for all public school students.

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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2350, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2219 Education and Housing on S.B. No. 2873**

The purpose of this measure is to exempt teachers from the Code of Ethics to allow teachers to provide instruction, for compensation, to current, future, or former students when special circumstances exist.

Testimony in support of this measure was submitted by one state agency. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

As a result of the state furlough of school teachers, students in Hawaii are spending fewer days in the classroom than in any other state. Additionally, teachers have faced financial hardships due to reduced pay. Parents, teachers, and students agree that furlough days would be better spent in the classroom. However, the Code of Ethics prevents teachers from providing paid services to students on furlough days. Your Committee finds that in light of the special circumstances faced by the State, this exception to the Code of Ethics can provide a solution to the problem of students missing classroom days. Your Committee fully supports a free education for all students, but in these difficult times, students need this opportunity to maintain their educational momentum.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2873 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2220 Economic Development and Technology on S.B. No. 2291**

The purpose of this measure is to implement recommendations of the technology caucus work group regarding state procurement by:

- (1) Establishing a state procurement preference for the benefit of Hawaii businesses providing high technology goods or services; and
- (2) Requiring the state procurement office to authorize reseller agreements in multi-state contracting agreements.

Testimony in support of this measure was submitted by the Department of Accounting and General Services, Hawaii Strategic Development Corporation, High Technology Development Corporation, The Chamber of Commerce of Hawaii, and two individuals. The State Procurement Office submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that following the Regular Session of 2009, legislators convened a technology caucus work group to provide a forum to review the current status of Hawaii's science and technology industry, identify state or county actions that impede long-term growth and expansion of technology companies, and develop recommendations to address these impediments. Chief among the industry concerns are government procurement procedures.

In particular, your Committee is concerned that the State Procurement Office's change in policy in implementing the Western States Contracting Alliance (WSCA) multistate agreements is a practice that no other state has pursued in implementing WSCA agreements. As a result of this change, when the State Procurement Office places an order directly with an out-of-state original equipment manufacturer, as opposed to the local reseller agent, this action reduces the level of state expenditures and activity within the local economy, reduces tax revenues paid by local technology businesses, and may result in job losses if the original equipment manufacturer does not have a local back-end agent program.

Your Committee has amended this measure by:

- (1) Further amending the definition of "Hawaii business" to include a small business qualified for federal procurements under the Small Business Administration HUBzone Empowerment Contracting Program;
- (2) Authorizing, rather than requiring, an unlimited use license for intellectual property purchased by the State;
- (3) For reseller agreements, requiring the State Procurement Office to place orders directly with local resellers designated by original equipment manufacturers; and
- (4) Making the effective date upon approval.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2291, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 2221 (Joint/Majority) Education and Housing and Human Services on S.B. No. 2083**



The purpose of this measure is to emphasize and establish support for after-school programs and prevention programs that address the issues listed above as objectives and policies for socio-cultural advancement in the Hawaii state plan.

Your Committees received testimony in support of this measure from the Department of Education, American Civil Liberties Union of Hawaii, Hawaii Youth Services Network, Association of Hawaiian Civic Clubs, The Sex Abuse Treatment Center, Planned Parenthood, Healthy Mothers Healthy Babies Coalition of Hawaii, and seven individuals. Testimony in opposition was received from one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure is a natural progression from Act 27, Session Laws of Hawaii Special Session 2009, enacting a medically accurate sexuality health education law (section 321-11.1, Hawaii Revised Statutes).

Your Committees find that there is a persistent need for effective prevention strategies against bullying and domestic violence and prevention programs in schools promoting sexual health, emotional literacy, civic responsibility, and healthy relationships among family members, friends, and members of the community. After-school programs and prevention programs in Hawaii's schools provide opportunities to raise awareness among students of these issues and educate students on effective prevention strategies.

Your Committees have amended this measure by:

- (1) Emphasizing that it is the policy of the State that the health education curriculum in schools address sexual and emotional health issues, and to use after-school and prevention programs to support student knowledge and skill building in current health topics; and
- (2) Changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2083, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2083, 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, 6. Noes, 1 (Hemmings). Excused, 1 (Galuteria).

**SCRep. 2222 (Joint) Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2584**

The purpose of this measure is to establish a dedicated source of funding for self-help housing by establishing a self-help housing trust fund with income from the conveyance tax.

Testimony in support of this measure was submitted by one private organization and one individual. Testimony in opposition to this measure was submitted by two state agencies and one private organization. Comments were submitted by one private organization. One private organization expressed concerns. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that while the concept of a self-help housing trust fund has merit and should be further developed, the funding mechanism for the self-help housing trust fund included in this measure is not appropriate at this time. Accordingly, your Committees have amended this measure as follows:

- (1) By leaving intact the provisions establishing a self-help housing trust fund but removing the conveyance tax funding mechanism for the trust fund; and
- (2) By establishing an advisory board that will be responsible for securing funding sources for the trust fund and performing other tasks necessary to prepare for the administration and operation of the trust fund.

As affirmed by the records of votes of the members of your Committees on Education and 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. 2584, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2584, 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 (Fukunaga, Takamine, Tokuda).

**SCRep. 2223 Education and Housing on S.B. No. 2960**

The purpose of this measure is to restructure the Department of Education into two major divisions – the Academic Achievement Division and the Administration Division – and establishes two senior deputy superintendent positions to head each of the divisions.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure implements a recommendation of the Task Force on Reinventing Government, established by House Concurrent Resolution No. 76, H.D. 1, S.D. 1 (2009). Your Committee finds that this measure allows Department of Education personnel to better utilize their specialties and ultimately improves the Department's efficiency and effectiveness. The Interim Superintendent of Education testified that this is a budget-neutral measure that does not require any additional costs to implement, as it merely realigns the Department's functions and redistributes existing administrators' responsibilities with no resulting changes in salary.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2960 and recommends that 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 (Hemmings).

**SCRep. 2224 Education and Housing on S.B. No. 2576**

The purpose of this measure is to require that any new residential development located in a school impact district that is developed or authorized by the Hawaii Housing and Development Corporation be subject to all statutes, ordinances, charter provisions, and rules relating to school impact fees and school impact districts.

Testimony in support of this measure was submitted by one state agency and one private organization. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that new residential developments under the Hawaii Housing Finance and Development Corporation (HHFDC) have the same impact as other developments in school impact districts, namely that they both increase the population of school-aged children and consequently the demand for schools and school facilities in the school impact district. This measure fairly applies the principle that HHFDC developments, having the same impact as other developments in school impact districts, should be responsible for an appropriate share of school impact fees.

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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2576, 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 (Hemmings).

**SCRep. 2225 Education and Housing on S.B. No. 2595**

The purpose of this measure is to require that the gross annual income of households in a housing project developed by a qualified person or firm be calculated according to the United States Department of Housing and Urban Development's method of calculation for determining eligibility for the Federal Housing Choice Voucher (section 8) program, in order for the person or firm to be considered to receive a general excise tax exemption.

Comments on this measure were submitted by one state agency. Testimony in opposition of this measure was submitted by one state agency and two private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that establishing a connection between gross annual income, as calculated by the United States Department of Housing and Urban Development for purposes of determining eligibility for Section 8 housing, and qualification for a general excise tax exemption for affordable housing projects is fair and just. Your Committee also finds that basing qualification for a general excise tax exemption on gross annual income and occupancy percentages of an affordable housing project will provide objective criteria to determining tax exemption status.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2595, 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 (Hemmings).

**SCRep. 2226 Education and Housing on S.B. No. 2592**

The purpose of this measure is to allow a general excise tax exemption to qualified persons or firms who receive rental income on newly constructed or moderately or substantially rehabilitated housing projects from households that meet certain residency and annual income criteria.

Testimony in support of this measure was submitted by one private organization and one individual. Testimony in opposition of this measure was submitted by one state agency and two private organizations. Comments on this measure were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that during the current economic recession that is being experienced by the State, this measure would provide a financial incentive to developers and owners of rental units for low and moderate income renters and for homeowners residing in new or substantially rehabilitated homes. Your Committee also finds that this measure will help to clear up some of the ambiguity in how general excise tax exemptions apply to developers and renters of affordable housing under chapter 201H, Hawaii Revised Statutes.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2592, 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 (Galuteria, Kidani, Tsutsui). Noes, none. Excused, 1 (Hemmings).

**SCRep. 2227 Education and Housing on S.B. No. 2451**

The purpose of this measure is to require remote schools to be allocated funds using categorical allotments, rather than the weighted student formula.

Testimony in support of this measure was submitted by three organizations. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that despite the equitable distribution of funds intended by enactment of the weighted student formula, small, remote schools can experience disadvantages when the formula allocation fails to provide those schools with the minimum level of resources needed to ensure the availability of courses necessary for graduation. This measure addresses the problem by adding remote schools to the list of schools that are currently excepted from allocations under the weighted student formula.

Your Committee recognizes that exemptions from the weighted student formula may have fiscal impacts on allocations to other schools and have accordingly amended this measure as follows:

- (1) By narrowing the definition of remote schools to include only high schools located on the islands of Lanai, Molokai, and Niihau, and high schools that are located at least a one-hour drive away from the next nearest high school; and
- (2) By inserting an effective date of July 1, 2050, to allow further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2451, 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 (Galuteria).

**SCRep. 2228 Education and Housing on S.B. No. 2217**

The purpose of this measure is to require the Department of Education to:

- (1) Make technical assistance and training to support students with dyslexia available to teachers, educational officers, and employees providing instruction or special services for exceptional children; and
- (2) Coordinate technical assistance and training efforts with teacher preparation programs in institutions of higher learning in the State.

Testimony in support of this measure was submitted by three private organizations and six individuals. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides support for students with dyslexia by improving awareness and training for teachers, educational officers, and employees who, with the additional training, may better identify dyslexia and provide the appropriate encouragement and treatment for students with dyslexia.

However, your Committee has also heard the concerns expressed by the Department of Education and has amended this measure by:

- (1) Removing the provisions requiring the Department of Education to provide technical assistance and training to teachers, educational officers, and employees to support students with dyslexia;
- (2) Removing the provisions requiring the Department of Education to coordinate technical assistance and training efforts with teacher preparation programs in institutions of higher learning in the State; and instead
- (3) Establishing a task force to develop a comprehensive policy to improve awareness of and strengthen support for persons with dyslexia, in hopes that the comprehensive policy will expand into a comprehensive statewide plan in the future.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2217, 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, none.

**SCRep. 2229 Education and Housing on S.B. No. 2828**

The purpose of this measure is to clarify the existing law for determining school impact fees for financing new or expanding existing Department of Education schools or facilities.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition to this measure was submitted by one state agency. One state agency expressed concerns with this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure attempts to balance the interests of developers, the State, and other stakeholders to provide new or expanded school facilities that keep pace with residential growth in school impact districts.

Your Committee further finds that interested parties have been working diligently to resolve issues relating to school impact fees, clarify the existing school impact fees law, and ensure that more accurate information is collected and used to inform school impact fee determinations. As such, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow the parties additional time to further discuss and resolve issues with 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2828, 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 (Galuteria).

**SCRep. 2230 Economic Development and Technology on S.B. No. 2543**

The purpose of this measure is to support the expanded use of technology by:

- (1) Establishing an Office of Telework Promotion and Broadband Assistance and a Broadband Advisory Council;
- (2) Establishing a work group to develop procedures for streamlined permitting functions applicable to development of broadband services or technology; and
- (3) Requiring all state agencies to report annually to the Legislature on expenditures of federal moneys for broadband facilities, services, equipment, or contracts.

Testimony in support of this measure was submitted by AT&T Services, Inc.; Hawaiian Telcom; Oceanic Time Warner Cable; and Comtel. Comments for this measure were submitted by the Department of Commerce and Consumer Affairs and the High Technology Development Corporation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that on January 14, 2010, the Department of Commerce and Consumer Affairs renewed Time Warner Entertainment Company, L.P.'s non-exclusive cable franchise for cable television services on the island of Oahu. The order allows Time Warner to continue utilizing public rights of way to provide cable service to consumers, and in exchange, the order requires that Time Warner utilize the latest technology to provide a wide diversity of information sources and services to the public. In addition, Time Warner will more than double the number of cable channels available for local uses in the State, increasing the channels from six to fourteen. The order also provides continued funding to 'Olelo for PEG access services, and the Hawaii Public Television Foundation - PBS Hawai'i. In addition, free high-speed broadband service (Roadrunner) will be provided to all two hundred eighty-eight Department of Education schools, including charter schools, statewide to facilitate online student testing. Time Warner will provide additional free interconnections to the State's INET for government or educational use, including twenty new interconnections during the first five years and additional interconnections thereafter.

Your Committee finds that the terms of this twenty-year renewal offer unprecedented opportunities to advance Hawaii's broadband capabilities and use.

In addition to the level of increased services required in the order, the Department of Commerce and Consumer Affairs is in receipt of a \$1,900,000 grant to fund broadband mapping and planning activities in Hawaii (\$1,400,000 for broadband data collection and mapping activities over a two-year period and \$500,000 for broadband planning activities over a five-year period). The Department has teamed with the University of Hawaii Pacific Disaster Center, which is taking the lead on completing the mapping activity.

Your Committee also notes that, given the extreme fiscal constraints facing state agencies, the original goals of the Hawaii Broadband Task Force can best be met during 2010-2012 with a more focused, in-house effort to maximize federal broadband funding with the State's commitment to deliver more services and programs through digital cable networks.

Your Committee has amended this measure accordingly, by:

- (1) Deleting the establishment of an Office of Telework Promotion and Broadband Assistance, refocusing the duties on expanded digital cable programming and services, and assigning these duties to the Director of Commerce and Consumer Affairs;
- (2) Amending the name of the Advisory Council to the Telework Promotion and Broadband Assistance Advisory Council and deleting the requirement for an annual report;
- (3) Requiring the Department of Commerce and Consumer Affairs to submit the report on American Recovery and Reinvestment Act of 2009 expenditures for broadband projects;
- (4) Making the Act effective upon approval; and
- (5) 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 Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2543, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2543, 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. 2231 Economic Development and Technology on S.B. No. 2625**

The purpose of this measure is to address concerns regarding the Department of Business, Economic Development, and Tourism's out-of-state offices by:

- (1) Requiring the Auditor, beginning July 1, 2010, to conduct at least every two years a management and financial audit of the out-of-state offices, with a report to the Legislature; and
- (2) Repealing the exemption from audit and accounting requirements for the out-of-state offices.

No written testimony was received.

Prior to the hearing, your Committee requested that the Auditor be present to answer any questions that might arise regarding the recently released Auditor's Report No. 10-01, *Investigation of Specific Issues of the Department of Business, Economic Development & Tourism*. The Auditor's report found that the Department has demonstrated a troubling pattern of nondisclosure regarding the 2005 China trade mission and provided misleading and inaccurate information regarding the Department's Market Development Cooperator Program award. In addition, in two of the three operational areas examined, internal controls were found to be seriously lacking, which created opportunities for fraud and abuse in the out-of-state offices.

In response to questions, the Auditor noted that while this measure does implement recommendations from the report, it would be difficult for the Office of the Auditor to conduct the required audit, due to travel and language concerns. The current out-of-state offices in Taipei, Taiwan (1994) and Beijing, China (2001) present very different concerns regarding their respective host country governance and financial requirements, so that the audits for the two offices would need to be structured quite differently. In addition, the Auditor does not have staff sufficiently fluent in the language or dialects of the two countries that would be necessary to conduct the audits. The Auditor anticipated that conducting audits of both offices every two years could be more costly than the level of funding currently available to the offices.

Subsequent to the hearing, on February 9, 2010, your Committee conducted a joint Informational Briefing with the Senate Committee on Ways and Means for further discussion on Auditor's Report No. 10-01.

Your Committee has amended this measure to incorporate further recommendations of the Auditor by:

- (1) Adding a findings and purpose section;
- (2) Requiring the Department of Business, Economic Development, and Tourism to conduct the audit of the out-of-state offices;
- (3) Beginning February 1, 2010, requiring the Department to cease expending or transferring any remaining federal reimbursement Marketing Development Cooperator Program funds; with a report to the Legislature by June 30, 2010;
- (4) Requiring the Department to update policies and procedures of the out-of-state offices; with a report to the Legislature by June 30, 2010;
- (5) Requiring the State Procurement Office to review financial records of the 2005 trade mission; with a report to the Legislature by September 30, 2010; and
- (6) Making the effective date upon approval.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2625, 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 (Slom). Noes, none. Excused, 1 (Hee).

#### **SCRep. 2232 Energy and Environment on S.B. No. 2858**

The purpose of this measure is to require the Public Utilities Commission to establish policies and procedures related to retail wheeling to enable independent power producers to sell electricity directly to end users.

Testimony in support of the measure was submitted by six organizations. One state agency submitted comments, and testimony in opposition was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes the concerns of the Hawaiian Electric Company, Inc. with regard to the complex issues raised by retail wheeling. However, in the face of a future increased demand with the rise in the number of electric cars, your Committee believes that unbundling electrical utility services is necessary to provide increased competition in energy markets and improved service. Your Committee finds that by narrowing the scope of the measure to intra-governmental electrical utility services, many of the issues can be resolved on a smaller scale. In the future, your Committee hopes that retail wheeling will be available for all electric customers.

Your Committee has amended this measure by:

- (1) Narrowing the scope of the measure to enable independent renewable energy producers operating on state lands to sell electricity directly to state government entities located on the same island as the producer;
- (2) Amending the purpose section to reflect the changes; and
- (3) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2858, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 2233 Energy and Environment on S.B. No. 2558**

The purpose of this measure is to restrict any new construction of or expansion of existing fossil-fueled, electricity-generating facilities unless the electric utility company can demonstrate compliance with the State's renewable energy portfolio standards.

Testimony in support of this measure was submitted by two organizations. One state agency, one organization, and one individual submitted comments. Testimony in opposition was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The State imports fifty million barrels of oil annually, eighty per cent of which is from foreign sources. More than 805,000 tons of coal is imported annually and together these two sources amount to ninety-two per cent of energy generation in the State. This heavy reliance on fossil fuels leaves the State vulnerable to the fluctuating global market, where in 2008 oil prices skyrocketed to \$140 per barrel. Your Committee finds that energy security and cost stability are dependent upon developing renewable energy sources in the State. A "no new fossil fuel" policy will serve as a backstop to prevent the State from failing to achieve our clean energy goals.

Your Committee has amended this measure by:

- (1) Exempting any retrofit or replacement of existing electricity-generating units designed to improve operational efficiency or to lower greenhouse gas emissions; and
- (2) Authorizing the Governor to exempt electricity-generating facilities from these restrictions if the Governor declares an emergency.

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. 2558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2558, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 2234 Energy and Environment on S.B. No. 2782**

The purpose of this measure is to propose a constitutional amendment to ban the construction of any new petroleum, coal, or nuclear power plants within the State without the approval of two-thirds of each house of the Legislature.

Testimony in support of the measure was submitted by three organizations and one individual. One organization submitted comments. Testimony in opposition was submitted by one state agency and one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Clean Energy Initiative has conducted various scenario analyses on how to achieve our seventy per cent clean energy goal by 2030. The notion that a transition involving new fossil fuel generating units must occur is not supported by the rigorous analysis of Hawaii's energy systems. Any new coal or petroleum power plant would make achievement of the energy goal by 2030 substantially more difficult, as any new fossil fuel generating units installed in the future will have a useful lifetime of thirty to fifty years or more. Your Committee finds that passage of this constitutional amendment will ensure that discussions of Hawaii's energy future occur at the highest policy level, helping to ensure that Hawaii moves toward a clean energy future.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2782 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 2235 Energy and Environment on S.B. No. 2815**

The purpose of this measure is to establish a Property-Assessed Clean Energy Bond Financing Program for renewable energy systems and energy efficiency improvements on residential and commercial properties, and to authorize the issuance of general obligation bonds to finance the program.

Testimony in support of the measure was submitted by one state agency and three organizations. One county agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The primary obstacle for homeowners to install clean energy systems or pursue energy efficiency projects is the upfront cost. A typical photovoltaic system, after tax incentives, costs approximately \$16,000. Despite expedited permitting, tax incentives, and educational programs, the installation rate of residential clean energy systems is fairly small. This measure implements a Property-Assessed Clean Energy program, ranked by the Harvard Business Review as one of the top ten "Breakthrough Ideas for 2010" and already adopted by sixteen other states. Your Committee finds that Hawaii cannot meet its renewable energy goals without broad residential participation, and that this measure will also spur the creation of new jobs.

Your Committee has amended this measure by replacing its contents with a similar proposal to:

- (1) Establish a Hawaii Clean Energy Bond Loan Program to make loans to commercial and residential property owners for energy efficiency improvements and small renewable energy systems;
- (2) Establish the Hawaii Clean Energy Bond Loan Revolving Fund to deposit proceeds from the issuance of general obligation bonds, repayments from loans, and any other moneys received for the program;



- (3) Authorize the Director of Business, Economic Development, and Tourism to carry out the program and adopt rules necessary thereto;
- (4) Clarify that the loans shall attach to the property, and that participating counties shall levy a special assessment on the property tax to repay the loan; and
- (5) Authorize the issuance of \$50,000,000 in general obligation bonds for the fiscal year 2010-2011.

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. 2815, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2815, 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. 2236 (Joint) Human Services and Transportation, International and Intergovernmental Affairs on S.B. No. 2934**

The purpose of this measure is to appropriate funds to retain comprehensive QUEST program coverage for qualified immigrants to Hawaii under the Compacts of Free Association.

Testimony in support of this measure was submitted by Micronesians United – Big Island, Healthcare Association of Hawaii, Hawai'i Primary Care Association, Hawaii Disability Rights Center, Lawyers for Equal Justice, and one individual. Testimony in opposition to this measure was submitted by the Department of Human Services. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that despite the budget challenges affecting the provision of all state services, supporting services that are essential to survival is a primary concern and responsibility of the State. This measure provides funding to ensure that approximately one hundred migrants who have immigrated to Hawaii under the Compacts of Free Association and who qualify for coverage under the QUEST program will continue to receive comprehensive health care coverage for medical treatments such as hemodialysis and chemotherapy treatments.

As affirmed by the records of votes of the members of your Committees on Human Services and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2934 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; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Espero, Gabbard, Hemmings).

**SCRep. 2237 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 2650**

The purpose of this measure is to require Medicaid contracts between the Department of Human Services and Medicaid healthcare insurance plan contractors to contain provisions affecting the reimbursement obligations in the policies between the insurance plan and the home and community-based agencies.

Testimony in support of this measure was submitted by Universal Case Management, LLC, the Case Management Council, and Catholic Charities Hawaii. Testimony in opposition to this measure was submitted by the Department of Human Services. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that many contracts that are entered into between Medicaid contractors and the Department of Human Services do not contain provisions that specify the duties and obligations of the Medicaid contractors. Your Committees also find that these duties and obligations should be determined when these contracts are entered into. Your Committees further find that the twenty-five per cent reduction of the reimbursement rate in effect is too large, and that a lower percentage is more appropriate.

Accordingly, your Committees have amended the measure to reflect a maximum ten per cent reduction in reimbursement rates. Your Committees have also made technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2650, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2650, 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 (Sakamoto).

**SCRep. 2238 Human Services on S.B. No. 2861**

The purpose of this measure is to support the implementation of the Department of Human Services' new child care subsidy system by creating a maximum monthly amount for child care subsidies per child.

The measure also encourages the provision of licensed child care by preserving the existing eligibility guidelines in place for child care provided in preschool care that were in effect on December 31, 2009.

Testimony in support of this measure was submitted by the Childcare Business Coalition and Good Beginnings Alliance. Testimony in opposition to this measure was submitted by the Department of Human Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a critical shortfall with regards to child care in Hawaii, and there are grave concerns about the amount of subsidies available for child care costs. It appears that the amount budgeted for child care subsidies is being depleted much faster than anticipated and are expected to be completely depleted by the end of February 2010. Your Committee also finds that there



is an increased need for child care around the State which makes subsidies even more necessary to our community. Your Committee further finds that there is community and provider concern over the attempt to impose a ceiling on the amount recipients would receive for subsidies, since such a cap may lead to recipients seeking lower quality and unlicensed child care. There is also community concern about the Department's decision to have multiple payment categories. Your Committee believes that this decision should be revisited to avoid negatively impacting vulnerable families as well as the centers that provide these valuable child care services.

Your Committee additionally finds that an appropriation for child care will keep day care centers and preschools open, will help maintain staffing levels and possibly create new jobs, and would be beneficial to the community and would bolster the local economy. In addition, when families are able to get child care they can afford, they are able to continue to work and sustain their families.

Accordingly, your Committee has replaced the contents of this measure with language to appropriate funds for continued child care subsidies and has left the amount blank to promote further discussion. Your Committee also notes that if general funds are not available, additional funding sources could be Temporary Assistance for Needy Families (TANF) or Community Development Block Grants (CDBG).

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2861, 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. 2239 Labor on S.B. No. 2798**

The purpose of this measure is to clarify that a specialty contractor may execute a contract involving the use of two or more crafts or trades if the performance of the craft or trade, other than that in which the contractor holds a specialty license, constitutes less than one-half of one per cent of the total monetary value of the project.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by three private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an objective percentage of monetary value on a project is needed to clarify what is considered to be incidental and supplemental to the total project. Your Committee also finds that providing objective parameters for licensed specialty contractors that perform two or more crafts or trades on a project is necessary to maintain equity and fairness amongst all specialty contractors within the construction industry in Hawaii.

Your Committee has amended this measure by:

- (1) Leaving blank the maximum percentage of total monetary value that a licensed specialty contractor may receive on a project from performing work that does not involve their licensed specialty; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2798, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Hee).

**SCRep. 2240 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2414**

The purpose of this measure is to establish within the State Parks Special Fund, a separate sub-account for each county, excluding Kalawao County, into which shall be deposited one hundred per cent of park user fees collected at state parks in the respective county.

Your Committee received testimony in support of this measure from five individuals. Testimony in opposition was received from the Department of Land and Natural Resources (DLNR). Comments were received from one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure requires the DLNR to expend the moneys from each county sub-account for repair, maintenance, and operating costs incurred by the State in the management of state parks in the same county. The intent of this measure is to ensure, in the main, that Neighbor Island state parks receive back their proportionate share of user fees. However, your Committee is not entirely convinced that this measure would accomplish that result because of the varying degree of upkeep required by different state parks statewide.

Your Committee is aware of the concerns of the DLNR to the effect that this measure would negatively impact its ability to operate, maintain, and repair its parks statewide. The current situation apparently is that a few parks generate most of the revenue for the state park system while some parks generate no revenue and have little potential to ever generate revenue. However, your Committee believes that the DLNR is still able to subsidize those state parks lacking sufficient resources.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions on this matter.

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. 2414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2414, 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 (Hemmings, Kokubun, Tokuda).

**SCRep. 2241 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2236**

The purpose of this measure is to impose specified fines for failure to pay, bill, or remit the inspection, quarantine, and eradication service fee. This measure further exempts liquid bulk freight and cement bulk freight from the inspection, quarantine, and eradication service fee and charge.

Your Committees received testimony in support of this measure from the Department of Agriculture; Alexander & Baldwin, Inc.; Hawaii Audubon Society; and Maui Cattlemen's Association. Testimony in support of imposing fines was submitted by the Coordinating Group on Alien Pest Species; Conservation Council for Hawaii; Sierra Club Hawaii Chapter; Hawaii Food Industry Association; and The Nature Conservancy. Testimony in opposition was received from the Hawaii Crop Improvement Association and AES Hawaii. Comments were received from Grace Pacific Corporation and Hawaiian Cement. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that adequate funding for the control and prevention of invasive species has been lacking for too long. Hawaii residents, businesses, and agricultural operations are left to pay for the expenses of inspection and eradication. Your Committees have been informed that an estimate from a reliable source pegs the costs to taxpayers at upwards of \$400 million annually.

Act 3, Session Laws of Hawaii Special Session 2008, enacted revisions to the inspection, quarantine, and eradication service fee and charge, codified as section 150A-5.3, Hawaii Revised Statutes, to add inspections of air freight. However, Act 3 did not provide for fines for nonpayment of those fees and charges. This measure addresses that statutory deficit.

Your Committees have amended this measure by:

- (1) Deleting the provisions relating to an exemption of liquid bulk freight and cement bulk freight; and
- (2) Changing the effective date to July 1, 2050 in the interests of continuing the discussions on this matter.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2236, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2236, 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 (Slom). Noes, none. Excused, 4 (Espero, Fukunaga, Kokubun, Tokuda).

**SCRep. 2242 (Joint/Majority) Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2441**

The purpose of this measure is to establish the intentional or knowing taking of an endangered species as a class C felony and provide a private right of action to enforce conservation of aquatic life, wildlife, and land plants laws.

Testimony in support of the measure was submitted by six organizations and six individuals. One state agency submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure is in response to two recent intentional killings of Hawaiian monk seals on Kauai and one on Molokai. In September 2009, a Kauai man pleaded guilty to shooting a monk seal in violation of the federal Endangered Species Act. The man received a ninety-day jail term, one year supervised release, and a \$25 fine.

With the number of monk seals increasing in the main Hawaiian islands, occurrences of human and seal interactions are on the rise. It is critical for the survival of the monk seals that Hawaii develop a culture of cohabitation, that will not tolerate any kind of inappropriate or violent behaviors toward these species. Your Committees find that increased penalties for the intentional or knowing destruction of an endangered species will protect those species from future harassment and death.

Your Committees further find that expanding the scope of permissible citizen suits will supplement government enforcement through actions seeking injunctive relief to prevent future harm to endangered and threatened species.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2050 for the purposes of further discussion; and
- (2) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

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. 2441, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2441, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Hemmings). Excused, 4 (Fukunaga, Ihara, Takamine, Tokuda).

**SCRep. 2243 Human Services on S.B. No. 819**

The purpose of this measure is to appropriate funds to the Kupuna Care program.

Testimony in support of this measure was submitted by the City and County of Honolulu Department of Community Services, the County of Maui Office on Aging, the County of Kauai Agency on Elder Affairs, Catholic Charities Hawaii, Child and Family Service, Lanakila Pacific, The International Labor Workers Union (ILWU), Maui Age Wave, Kookia Council, Project Dana, the Public

Advisory Board for Elder Affairs, Hawaii Family Caregiver Coalition, Maui Family Support Services, Hale Mahaolu, Hawaii Alliance for Retired Americans, Kaunoa Assisted Transportation Program, Association for the Advancement of Retired Persons (AARP), Na Hoaloha, Kokua Kalihi Valley Comprehensive Family Services, the National Multiple Sclerosis Society, and twenty-one individuals. Testimony in opposition to the measure was submitted by the State of Hawaii Executive Office on Aging. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the ability for elders in our community to age in place is a very important and coveted concept. Elders in our community have continually expressed a desire to be able to remain in their homes as long as possible as opposed to living in nursing homes or long term care facilities, and families have consistently expressed a desire to have their older family members at home as long as possible. In order to facilitate seniors being able to age in place, services such as bathing assistance, chores, personal care and home-delivered meals are essential. Your Committee also finds that the Kupuna Care program fills the needs of these seniors, but current funding is not adequate to keep the Kupuna Care program operating at its current levels. Your Committee further finds that the contents of S.B. No. 2260 is more appropriate to cover the intent of the Legislature. Your Committee additionally finds that providing sufficient funding for the Kupuna Care program intact will enable the staff to retain their positions, thereby maintaining jobs in our community which leads to a more stable, stronger economy.

Your Committee has amended the measure by deleting the specific dollar amount to be appropriated, but notes that \$2,963,411 is the amount necessary to restore the program to be fully operational and to address the needs of kupuna on the current waitlist and for underserved kupuna. Your Committee requests that if there are no general funds available for this purpose, that funds from the emergency and budget reserve fund should be used.

Your Committee has also replaced the purpose section of this measure with the purpose section of S.B. No. 2260 and made technical, nonsubstantive stylistic amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 819, 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. 2244 (Joint) Human Services and Health on S.B. No. 2806**

The purpose of this measure is to allow for excess funds from the general revenues of the State to be deposited into the emergency and budget reserve fund (fund) under certain circumstances.

Specifically, this measure allows the transfer to the fund of five percent of the end-of-the-year general fund balance when state general fund revenues for each of two successive fiscal years exceeds revenues for each of the preceding fiscal years by five percent.

Comments on this measure were submitted by the Office of the Governor, the Department of Budget and Finance, and the Tax Foundation of Hawaii. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the emergency budget and reserve fund is being steadily depleted while there are no new sources of revenue to replenish it. Your Committees also find that in times of economic prosperity, it is appropriate to divert funds from the general revenues of the State under certain circumstances to ensure that funds are available for future fiscal emergencies.

Your Committees note that S.B. No. 2692, similarly authorizes the transfer of excess general fund revenues to the fund. This similar measure, however, additionally clarifies, among other things, how the applicable end-of-the-year balance should be calculated, who is authorized to make the transfer of moneys from the general fund, and when such transfers should not occur.

Accordingly, upon further consideration, your Committees have amended this measure by:

- (1) Using instead, language from S.B. No. 2692, which in addition to authorizing the transfer of excess revenues from the general fund to the emergency budget and reserve fund:
  - (A) Clarifies that the end-of-the-year general fund balance calculation shall occur before any tax refund or tax credit pursuant to Article VII, section 6 of the Constitution of the State of Hawaii;
  - (B) Prohibits transfers when the balance of the fund is more than ten percent of general fund revenues for the preceding fiscal year;
  - (C) Authorizes the Director of Finance to execute the transfers;
  - (D) Authorizes interest earned from the fund to be credited to the fund; and
  - (E) Clarifies the uses of the fund; and
- (2) 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2806, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2806, 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. 2245 (Majority) Labor on S.B. No. 2244**

The purpose of this measure is to:

- (1) Increase the minimum hourly wage to \$8.50 beginning July 1, 2010, and ending on December 31, 2011; and
- (2) Adjust the minimum hourly wage thereafter based on the rate of inflation in accordance with the Consumer Price Index.

Testimony in support of this measure was submitted by one state agency, two private organizations, and one individual. Testimony in opposition of this measure was submitted by one state agency and three private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an increase in the minimum hourly wage will assist the recovery of the economy by increasing the disposable dollars available to workers. Your Committee also finds that less than two percent of the current workforce in this State would benefit from a minimum hourly wage increase.

Your Committee has amended this measure by:

- (1) Deleting the \$8.50 minimum wage rate and leaving the rate amount blank;
- (2) Deleting the automatic adjustment index provision that would have adjusted the minimum hourly wage rate based on the rate of inflation in accordance with the Consumer Price Index; and
- (3) Changing the effective date to January 1, 2012.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2244, 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. 2246 Commerce and Consumer Protection on S.B. No. 2472**

The purpose of this measure is to strengthen protection for homeowners in a mortgage foreclosure by requiring the foreclosing mortgagee to attach a copy of the original, signed mortgage agreement to the notice of default.

Your Committee received testimony in support of this measure from Legal Aid Society of Hawai'i, Hawaiian Alliance, LLC, and three private citizens. Testimony in opposition to this measure was received from the Mortgage Bankers Association of Hawaii, the Hawaii Bankers Association, and Hawaii Financial Services Association. Comments on this measure were received from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that as more Hawaii homeowners experience unemployment and underemployment due to the continuing economic recession, the number of foreclosures in the State will continue to increase. Your Committee finds that while most local lenders have demonstrated a commitment to continuing investment in the community, many out-of-state lenders engage in predatory practices that place local homeowners at an unfair disadvantage in the foreclosure process. Your Committee finds that the requirements of the original version of this measure were both overly burdensome for mortgagees and insufficient to provide real protections for mortgagors facing foreclosure. Your Committee notes that the amendments it has made to this measure are the result of cooperation among stakeholders representing the interests of both homeowners and local lenders.

Your Committee has amended this measure by:

- (1) Adding a new section to require a foreclosing mortgagee to provide the mortgagor with a notice of intent to foreclose that includes notice that mortgage counseling is available through agencies approved by the United States Department of Housing and Urban Development;
- (2) Replacing the requirement that a foreclosing mortgagee in a power of sale foreclosure attach a copy of the original, signed mortgage document and any amendments to the notice of default with a new provision requiring a foreclosing mortgagee to provide the mortgagor with a copy of the promissory note and mortgage document upon request of the mortgagor before commencing foreclosure proceedings; and
- (3) Specifying that a public sale price of seventy per cent of the tax assessed value of a fee-simple, owner-occupied property in foreclosure shall be reasonable and fair.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2472, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 2247 (Joint) Commerce and Consumer Protection and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2224**

The purpose of this measure is to make the financial disclosure statements filed by the executive director of the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, the commissioners of the Public Utilities Commission, and the members of the Board of Land and Natural Resources public records available for inspection and duplication by the public.

Your Committees received testimony in support of this measure from the League of Women Voters, Americans for Democratic Action, Life of the Land, and Common Cause Hawaii. Comments were received from the Hawaii State Ethics Commission. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that as the State undertakes the considerable project of implementing the Hawaii Clean Energy Initiative and other innovative energy policy projects, transparency and accountability in the decision making process are vital. Your Committees find that in light of the important decisions regarding public policy and the expenditure of public money at stake, the public interest in knowing whether potential conflicts of interest exist for certain public officials outweigh those individuals' interest in protecting personal financial information. Your Committees note that this measure is not intended to imply any present wrongdoing on the part of those individuals to whom it applies. Rather, it is your Committees' intent to promote transparency in government in general.

Your Committees have amended this measure by:

- (1) Narrowing its scope to apply only to commissioners of the Public Utilities Commission; and
- (2) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection 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. 2224, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2224, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 4 (Fukunaga, Sakamoto, Takamine, Tokuda).

**SCRep. 2248 (Joint/Majority) Public Safety and Military Affairs and Health on S.B. No. 2212**

The purpose of this measure is:

- (1) Allow a criminal defendant who is eligible to use medical marijuana to request the court to be allowed to use medical marijuana while on probation; and
- (2) Allow a parolee who is eligible to use medical marijuana to request the Hawaii Paroling Authority to be allowed to use medical marijuana for the period of parole.

Your Committees received testimony in support of this measure from four private entities and thirteen individuals. Comments were received from one government entity. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that probationers and parolees should be extended the same right to use medical marijuana as the general population in accordance with law. Medical marijuana users often suffer from severe debilitating conditions for which marijuana provides a modicum of pain relief. Probationers and parolees are no different. Your Committees believe that allowing probationers and parolees to use medical marijuana may help them to avoid more serious controlled substances.

Your Committees have amended this measure by clarifying the definition of "primary caregiver" under the medical marijuana law to add that a convicted felon can qualify to be a caregiver only if the felon's term of probation or parole expired at least ten years immediately prior to the registration as a primary caregiver, and by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety 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. 2212, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2212, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, 1 (Hemmings). Excused, 1 (Bunda).

**SCRep. 2249 (Joint) Commerce and Consumer Protection and Energy and Environment on S.B. No. 2715**

The purpose of this measure is to suspend the reporting requirements of both the petroleum industry and the Public Utilities Commission under the Petroleum Industry Monitoring, Analysis and Reporting program until further action by the Legislature.

Your Committees received testimony in support of this measure from the Public Utilities Commission. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the Petroleum Industry Monitoring, Analysis and Reporting (PIMAR) program involves detailed and highly intensive collection of data regarding petroleum product imports, exports, inventories, production, retail and wholesale transactions, and gross margins. Your Committees find that the reporting process is very time consuming for both the Public Utilities Commission and the petroleum industry. Your Committees note that the PIMAR program has not revealed evidence of economic misbehavior in the petroleum market since its inception in September 2007. Your Committees find that the suspension of PIMAR reporting requirements will allow the Public Utilities Commission to more efficiently allocate its resources in order to focus on higher priority regulatory matters and resource planning, especially regarding matters arising under the Hawaii Clean Energy Initiative. Finally, your Committees note that this measure allows the Legislature to easily take action in the future to reinstate the PIMAR program, should the need arise.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2715 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (English, Kokubun, Sakamoto).

**SCRep. 2250 (Joint) Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs on S.B. No. 2756**



The purpose of this measure is to clarify the cost-sharing requirements for public utilities and other entities that occupy state or county rights-of-way for relocating facilities due to highway development or undergrounding of facilities.

Your Committees received testimony in support of this measure from the Department of Transportation. Testimony in opposition to this measure was received from the County of Maui Department of Environmental Management, Kauai Island Utility Cooperative, Hawaiian Telcom, Hawaiian Electric Company, Inc., and The Gas Company. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure addresses the long-standing and persistent problems of a lack of clarity in standards and inconsistent interpretation of the law regarding cost sharing for construction and maintenance work along public highway rights-of-way involving multiple public and private interests. Your Committees find that this measure is necessary because current policy has resulted in inconsistent application of the law. Finally, your Committees note the almost universal opposition to this measure from both public and private stakeholders. Because of these objections, your Committees have amended this measure with language agreed upon by the interested stakeholders.

Your Committees have amended this measure by:

- (1) Adding exceptions to certain requirements for telecommunications carrier utility owners;
- (2) Clarifying that utilities and public highway agencies shall each pay their full cost share thirty days prior to construction;
- (3) Specifying that for projects that exceed an amount agreed upon by all parties, cost share shall be paid in monthly installments instead of in a single upfront payment;
- (4) Specifying that cost share shall be determined by the actual cost of the project and shall be mutually agreed upon by all parties;
- (5) Specifying allocation of federal funding to offset the cost share of each party;
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and accuracy; and
- (7) Changing its effective date to July 1, 2050 in order to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2756, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2756, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 1 (Ihara).

**SCRep. 2251 Health on S.B. No. 2494**

The purpose of this measure is to require health insurers and like entities to offer an insured prescription drug coverage that provides identical benefits to the insured's previous policy, regardless of whether the previous policy was provided by the same insurer.

Your Committee received testimony in support of this measure from National Cornerstone Healthcare Services Inc., the American Cancer Society, the Neuropathy Action Foundation, the American Academy of Pediatrics, the Hawaii Coalition for Health, the Hawaii Congress of Physicians and other Healthcare Providers, the Guillian-Barré Syndrome/Chronic Inflammatory Demyelinating Polyneuropathy Foundation International, the Alzheimer's Association, Aloha Chapter, and one individual. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Kaiser Permanente Hawaii, the 'Ohana Health Plan, and the Hawaii Association of Health Plans. Testimony supporting the intent of this measure with amendments was received from the Hawaii Medical Association. The American Council of Life Insurers and one individual submitted testimony commenting on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an individual should not lose access to an effective drug or drug regimen or have to suffer adverse side effects of a substitute because the individual is forced to switch drugs or brands upon changing insurance providers.

Your Committee has amended this measure by inserting an effective date of July 1, 2050 to encourage further discussion of this issue.

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. 2494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2494, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2252 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2529**

The purpose of this measure is to establish a Hawaii healthcare claims uniform reporting and evaluation system.

Your Committees received testimony in support of this measure from the Hawaii Medical Association. Testimony in support of the intent of this measure with amendments was received from the Hawaii Medical Service Association, the Hawaii Association of Health Plans, and the Hawaii Health Information Corporation. The Department of Budget and Finance submitted testimony with comments on this measure. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that a uniform claims reporting system will add transparency and accountability to what is often an incomprehensible system to laypeople. Your Committees further find that a task force to study this issue will help to make the program pertinent and accessible and will guide Hawaii to consistency with national standards.



Your Committees have amended this measure by:

- (1) Establishing a task force to improve the system and to bring it in line with developing national standards;
- (2) Including a provision to repeal specific uniform healthcare claims reporting and evaluation methods detailed in section 1 of this measure when widely accepted national standards are in place;
- (3) Including 'encounters' in the definition of claims data to be collected to ensure meaningful participation by health management organizations; and
- (4) Changing the fee provision established under the proposed section 431:10-H to be charged to per covered life rather than per claim.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2529, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2529, 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 (Hemmings, Nishihara, Sakamoto).

**SCRep. 2253 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2810**

The purpose of this measure is to allow pharmacists to provide medication therapy management services to patients by creating a process for communication and collaboration among pharmacists and the patient's other health care providers.

Your Committees received testimony in support of this measure from the College of Pharmacy of the University of Hawaii, Hilo and one private citizen. Comments on this measure were received from the Board of Pharmacy. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that medication therapy management is an effective tool to lower health care costs and improve health outcomes by correcting the misuse of medication and providing patients with information to enable them to participate constructively in their own health care. Your Committees further find that it is vital that a medication therapy management program incorporate the use of electronic records to facilitate real-time information sharing among the patient, pharmacist, and other health care providers. Finally, your Committees find that licensed pharmacists are highly skilled professionals who are qualified by education and training to provide effective medication therapy management services.

Your Committees have amended this measure by:

- (1) Narrowing the scope of the medication therapy management program to include only those patients who receive prescription drug coverage through QUEST; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and accuracy.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2810, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2810, 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 (Hemmings, Nishihara, Sakamoto).

**SCRep. 2254 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2600**

The purpose of this measure is to regulate the practice of respiratory care by establishing a respiratory therapist program within the Department of Commerce and Consumer Affairs and respiratory therapist licensure requirements.

Your Committees received testimony in support of this measure from the Hawaii COPD Coalition and eighty-one individuals. Your Committees received testimony in opposition to this measure from one individual. Testimony in support of this measure with amendments was submitted by The Queen's Medical Center, the Hawaii Society for Respiratory Care, and the American Board of Internal Medicine. The Department of Commerce and Consumer Affairs submitted testimony with comments on this measure. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure establishes a regulatory scheme for respiratory therapists, who often treat the most critically ill patients in Hawaii as well as providing homecare to vulnerable populations, and will ensure the continued high quality of respiratory care that Hawaii is known for. Your Committees further find that by being one of only two states that does not regulate respiratory therapy, Hawaii has become a desirable destination for therapists with disciplinary problems in more tightly regulated states and that this measure addresses the situation to protect Hawaii's patients.

Your Committees have amended this measure by:

- (1) Including a section expressly establishing a respiratory therapist program within the Department of Commerce and Consumer Affairs to be administered by the Director of that agency;
- (2) Clearly stating that this measure is not intended to affect other licensed or credentialed healthcare practitioners, particularly sleep technologists and employees of durable medical equipment providers;
- (3) Requiring six credit hours per year of continuing education to renew a respiratory therapist license;

- (4) Clarifying that only application fees are nonrefundable;
- (5) Changing the effective date to July 1, 2011 to provide the Department of Commerce and Consumer Affairs sufficient time to implement the requirements of this measure;
- (6) Clarifying that licenses shall be renewed triennially on or before June 30 of each year with the first renewal deadline set for July 1, 2014;
- (7) Changing the date of the appropriations to reflect the effective date of this measure; and
- (8) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2600, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2600, 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 (Hemmings, Nishihara, Sakamoto).

**SCRep. 2255 (Joint) Health and Higher Education on S.B. No. 2493**

The purpose of this measure is to allow the continued use of the tobacco fund settlement monies by John A. Burns School of Medicine.

Your Committees received testimony in support of the measure from The Chamber of Commerce of Hawaii, The Queen's Health Systems, and the Healthcare Association of Hawaii. Your Committees received testimony in opposition of the measure from the Department of Budget and Finance. Testimony in support of the intent of the measure with amendments was received from the John A. Burns School of Medicine. Testimony commenting on the measure was received from the American Cancer Society and the Coalition for a Tobacco-Free Hawaii. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the John A. Burns School of Medicine is integral to alleviating the physician shortage in our State both through its students and its faculty. Your Committees further find that at present, the John A. Burns School of Medicine is reliant on the Tobacco Settlement Trust Fund to maintain their high standards, high quality, and innovation.

Your Committees have amended this measure by:

- (1) Requiring the University of Hawaii to submit annual reports to the Legislature on the debts that the Tobacco Settlement Trust Fund funds are being applied to;
- (2) Removing the provision that makes the Tobacco Settlement Trust Fund funding to the John A. Burns School of Medicine permanent and replacing it with an ending date of June 30, 2015; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2493, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2493, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and the Vice President on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Hemmings, Kokubun, Sakamoto, Slom).

**SCRep. 2256 (Joint/Majority) Health and Public Safety and Military Affairs on S.B. No. 2919**

The purpose of this measure is to:

- (1) Clarify the duties of the Department of Public Safety to include security at the Hawaii State Hospital; and
- (2) Require the Director of Health, in collaboration with the Director of Public Safety, to report to the Legislature on appropriate security measures and short- and long-range plans for security of the increasing and aging forensic population at the hospital.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association, Kaneohe Neighborhood Board #30, and four individuals. Testimony in opposition was received from the Department of Public Safety. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the patients at the Hawaii State Hospital are considered to be in need of confinement, including forensic patients committed to institutionalization by the courts. The recent escape on December 3, 2010 of a forensic patient who was committed to the hospital in 2002 after allegedly committing kidnapping and sexual assault on a child illustrates the current security deficit at the hospital.

Your Committees further find that the Hawaii State Hospital has suffered budget cuts and reductions in security positions, leaving the hospital vulnerable to escapes and security risks. Averaging six escapes a year and with numerous assaults upon staff, the high occupancy at the hospital, coupled with the budget cuts and security reductions, have compromised and jeopardized the safety of the workers and patients at the facility, as well as the community and surrounding neighborhood.

Your Committees pass this measure in the interests of protecting the public health and safety. Your Committees do not believe it unreasonable for the Department of Public Safety to be responsible for the security at the Hawaii State Hospital, which is state-owned and operated facility.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2919 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9; Ayes with Reservations (Green). Noes, 1 (Hemmings). Excused, 1 (Bunda).

**SCRep. 2257 (Joint) Health and Labor on S.B. No. 2885**

The purpose of this measure is to establish a health savings account task force to study the current state of health savings accounts in Hawaii and to encourage the expanded use of health savings accounts in the future.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Medical Association, Hawaii Medical Services Association, and SterlingHSA. Testimony with comments on this measure was received from the Department of Labor and Industrial Relations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that health savings accounts are currently available in Hawaii, but do not constitute a significant portion of the overall health care market. Your Committees further find that health savings accounts are an alternate means of paying for health care that may result in significant health care cost savings for some Hawaii residents by allowing individuals to purchase high deductible health plans and to pay out-of-pocket health care costs from tax-advantaged dollars saved in health savings accounts. Your Committees note that, in light of Hawaii's unique health insurance environment, careful consideration of the interaction between health savings accounts and the requirements of Hawaii's Prepaid Health Care Act is essential to the task force's discussions and policy recommendations.

Your Committees have amended this measure by making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2885, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2885, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Baker, Hee, Hemmings).

**SCRep. 2258 (Majority) Health on S.B. No. 2271**

The purpose of this measure is to set a ceiling on the amount of insurance premiums applied toward administrative expenses and to require insurers to annually report how health care premiums are spent with an emphasis on administrative and medical expenses.

Specifically, the measure requires that:

- (1) Eighty percent of health insurance premiums collected from individual and small employer insureds; and
- (2) Eighty-five percent of health insurance premiums collected from large employer insureds;

be expended on medical expenses. If the insurer fails to meet these threshold percentage expenditures, the insurer is required to issue a dividend or credit to policyholders.

Your Committee received testimony in support of this measure from the Hawaii Medical Association and the Arc of Kona. Your Committee received testimony in opposition to this measure from the Hawaii Association of Health Plans. Testimony in support of the intent of this measure with amendments was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, and the Healthcare Committee for Faith Action for Community Equity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that having a clear understanding of how health care premiums are allocated by health insurance companies, especially in terms of administrative costs, helps consumers to make informed decisions when choosing insurance companies. Your Committee further finds that the types and extent of information required by consumers and by the Insurance Division of the Department of Commerce and Consumer Protection is sufficiently different to warrant both an annual premium transparency report to the Insurance Commissioner and a Health Data Clearinghouse for public dissemination.

Your Committee has amended this measure by:

- (1) Making the percentage of premiums spent on administrative expenses consistent with similar restrictions currently enforced on mutual benefit societies by lowering them to sixty-five percent;
- (2) Adding a new chapter in the Hawaii Revised Statutes establishing a medical data clearinghouse; and
- (3) Inserting an effective date of July 1, 2050, to encourage further conversation on this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2271, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Green). Noes, 1 (Hemmings). Excused, none.

**SCRep. 2259 Health on S.B. No. 2126**

The purpose of this measure is to prohibit health and dental insurers from setting fees for dental services that are not covered by the dental plan.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Hawaii Dental Association, and one individual. Your Committee received testimony in opposition to this measure from Benefit Plan Solutions, Inc. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that insurers should not be able to dictate reimbursement levels to dentists unless the procedure in question is covered by the dental plan.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion about the impact of this measure; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2126, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2260 Health on S.B. No. 2698**

The purpose of this measure is to ensure that dependent children up to the age of twenty-seven remain covered by their parent's or guardian's health insurance plan.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that in today's difficult economic climate and with the increasing necessity of graduate education to be competitive for employment, many young adults are uninsured for several years after graduating from their parent's or guardian's insurance plans while they finish their schooling and search for steady employment. Your Committee further finds that this measure will reduce the amount of uninsured or underinsured students and young adults.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2698, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2261 Health on S.B. No. 2100**

The purpose of this measure is to update existing law to ensure the success of the many health care coordination projects underway in the community and to enable the sharing of all necessary medical information while maintaining compliance with federal privacy standards.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the City and County of Honolulu, and the Hawaii Association of Health Plans. Your Committee received testimony in opposition to this measure from the Department of Health. Testimony in support of the intent of this measure was submitted by the Hawaii Health Information Exchange. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appropriate sharing of health data within the healthcare system is an important step to improve the quality, coordination, and costs of medical care.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2100, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2262 Health on S.B. No. 2728**

The purpose of this measure is to establish statewide emergency and trauma system multiagency and multidisciplinary quality assurance and peer review committees convened by the Department of Health for the purposes of improving patient care.

This measure further provides that these committees are exempt from chapter 92, Hawaii Revised Statutes, that individuals on these committees may not be questioned in civil or criminal proceedings regarding information learned as a result of involvement with those committees, and information held by the Department of Health as a result of the work of these committees is not subject to chapter 92F, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Health, American Medical Response, Kona Community Hospital, The Queen's Medical Center, the Healthcare Association of Hawaii, the Honolulu Emergency Services

Department, and three individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice. The Office of Information Practices submitted testimony with comments on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that statewide emergency and trauma system multiagency and multidisciplinary quality assurance and peer review committees convened by the Department of Health will improve patient care. Your Committee further finds that to ensure patient privacy and to encourage participation on these committees, members of subcommittees established to make recommendations to the Department for system improvements should be provided protection from being questioned in civil or criminal proceedings about information learned on these subcommittees. For the same purpose, the Department of Health's records from these committees shall be exempt from chapter 92F, Hawaii Revised Statutes, or subpoena, discovery, or introduction into evidence in criminal or civil proceedings.

Your Committee has amended this measure by:

- (1) Clarifying that not all multidisciplinary and multiagency quality assurance and peer review committees convened by the Department of Health are exempt from chapter 92, Hawaii Revised Statutes, and questioning in civil and criminal proceedings, but that only those subcommittees of quality assurance and peer review committees that examine patient care records and system performance are exempted;
- (2) Inserting an effective date of July 1, 2050 to encourage further discussion on this matter; and
- (3) Making technical, nonsubstantive changes to insure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2728, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 2263 Health on S.B. No. 2725**

The purpose of this measure is to require courts to maintain mental health examination reports as confidential documents, subject to specific exceptions.

Your Committee received testimony in support of the intent of this measure with amendments from the Hawaii Association for Justice. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that while defendants have the right to expect that records of their mental health examination made pursuant to court order will be kept confidential, it is in the interests of justice that these records be disclosable at the direction of any criminal or civil court upon a showing of good cause.

Your Committee has amended this measure by:

- (1) Changing the standard of disclosure from necessary for the public interest to a showing of good cause to allow for disclosure in civil actions; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2725, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2725, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2264 Health on S.B. No. 2726**

The purpose of this measure is to amend the law governing the time frames for fitness restoration for persons charged with non-violent petty misdemeanors and non-violent misdemeanors.

Your Committee received testimony in support of this measure from the Department of Health and the Hawaii Disability Rights Center. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under the current statutory scheme in section 704-406, Hawaii Revised Statutes, pretrial defendants hospitalized for fitness restoration receive their fitness determination "within a reasonable time." Your Committee further finds that this measure provides concrete time limits on hospitalization for fitness restoration.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion of this measure; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2726, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).



**SCRep. 2265 Education and Housing on S.B. No. 2570**

The purpose of this measure is to propose a constitutional amendment to require voting members of the Board of Education to be appointed by the Governor, with the advice and consent of the Senate, as provided by law.

Testimony in support of this measure was submitted by two private organizations. Testimony in support of the intent of this measure was submitted by one private organization. Testimony in opposition to this measure was submitted by two state agencies and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the nomination and appointment process identified in this measure will increase the Board of Education's accountability for all matters relating to public education in Hawaii. Your Committee also finds that the use of a Board of Education Candidate Nomination Commission will produce a number of qualified candidates that will help to provide a clear vision for the Board of Education going forward.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2570, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Chun Oakland). Noes, none. Excused, none.

**SCRep. 2266 Labor on S.B. No. 2883**

The purpose of this measure is to make it an unlawful practice for any employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee because the employee uses accrued and available sick leave.

Testimony in support of this measure was submitted by five private organizations and three individuals. Testimony in opposition of this measure was submitted by two state agencies, one county agency, and six private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that eliminating the ability of employers to undermine sick leave benefits previously negotiated under collective bargaining with subpar house rules or policies is not fair or just to employees covered by a collective bargaining agreement. However, your Committee also finds that the measure as received by your Committee may be viewed as overly prescriptive to the point where it interferes with an employer's ability to effectively manage their workforce. In light of this concern, your Committee believes that requiring the terms of a collective bargaining agreement to prevail in instances of conflict with an employer's rules or policies would be more equitable.

Your Committee has amended this measure by deleting the contents of this measure and replacing it with a new section concerning accrued and available sick leave benefits that is to be appropriately designated in chapter 392, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2883, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Hee).

**SCRep. 2267 (Joint) Commerce and Consumer Protection and Tourism on S.B. No. 2643**

The purpose of this measure is to make permanent the general excise tax exemption for condominium common expenses paid by managers, submanagers, and suboperators and for employee expenses paid by hotel and timeshare operators.

Your Committees received testimony in support of this measure from American Resort Development Association-Hawaii, Marriott Vacation Club International, Inc., Starwood Vacation Ownership, Hawai'i Association of Realtors, Outrigger Enterprises Group, and Wyndham Worldwide. Tax Foundation of Hawaii submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the underlying purpose of this measure, the exemption from the general excise tax for condominium common expenses and for timeshare and hotel employee expenses paid by managers, submanagers, and suboperators, continues to serve the public interest of the State. By exempting employment-related expenses from the general excise tax, this measure removes a disincentive for owners to pay higher wages and provide higher levels of benefits to employees and to use the services of local operators and local vendors.

Your Committees have amended this measure by:

- (1) Adding a new provision to clarify the meaning of the maximum allowable exemption; and
- (2) Repealing the sunset date of the general excise tax exemption contained in this measure.

Your Committees find that the amendment to this measure preserves the original intent of the exemption, which is to apply the cap to aggregate taxable amounts and not to gross receipts.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2643, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2643, S.D. 1, and be referred to the Committee on Ways and Means.



Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Sakamoto, Tsutsui).

**SCRep. 2268 (Joint) Economic Development and Technology and Higher Education on S.B. No. 2355**

The purpose of this measure is to encourage further expansion of Hawaii's digital media industry by:

- (1) Establishing digital media enterprise subzones as unspecified geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones;
- (2) Establishing tax benefits for digital media infrastructure development and operation and local workforce employment;
- (3) Authorizing insurance companies to invest in qualified digital media infrastructure projects in lieu of paying certain state taxes; and
- (4) Renaming and amending the Hawaii television and film development special fund to the Hawaii film office special fund.

Testimony in support of this measure was submitted by University of Hawai'i System, University of Hawai'i Academy for Creative Media, The Chamber of Commerce Hawaii, SHM Partners, Hawaii Animation Studios, Building Industry Association of Hawaii, Home Baked Entertainment and three individuals. Testimony in opposition of this measure was submitted by the Department of Taxation. Comments for this measure were submitted by the Department of Commerce and Consumer Affairs, the Department of Business, Economic Development and Tourism and one individual.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that using the enterprise zone model for measurable job creation and business growth within targeted geographic zones, this measure establishes a digital media subzone within an existing enterprise zone that is located on or in close proximity to a University of Hawaii campus; and incorporates two digital media incentives with proven track records.

Currently, the list of Enterprise Zone Partnership eligible businesses in the Hawaii program includes about twenty-two separate types of activities covering a wide range of industry sectors - each a category that the State is trying hard to attract or grow internally - and 179 businesses are enrolled in the program, with an estimated 4,100 jobs.

The digital media infrastructure tax credit is based on a Michigan film and digital media infrastructure credit adopted in 2007 to complement Michigan's forty to forty-two per cent tax rebate for Michigan film and media production work and a fifty per cent refundable film and digital media worker job training tax credit (adopted in 2008, and sunseting in 2015). In February 2010, Hangar42 Studios became Michigan's first fully-financed major film studio - in a renovated auto manufacturing plant - to open utilizing the infrastructure credit, and is a major milestone in that state's development of a film industry. Since Michigan passed its package of credits in 2008, more than thirty major productions were filmed in the state in 2008 and approximately fifty in 2009.

The digital media enterprise subzone workforce development tax credit is based upon Ontario's animation and visual effects tax credit, which leverages the past fifteen years' growth of Canada's digital media and games sector in cluster regions like Ontario, British Columbia, Manitoba, Alberta, Prince Edward Island, Nova Scotia, and Quebec. Canada is home to some of the best-known brands in the video games industry, with over 500 companies across the sector (from hardware, development tools and enablers, to support services, developers and publishers). In 2008, roughly 250 game development companies employed 14,000 people, generating \$2,200,000,000 in revenues.

Today, the Greater Toronto Area in Ontario is the third largest television, film, and digital media cluster in North America, generating annual revenues of more than \$1,000,000,000. Its package of digital media tax incentives includes a generous research and development credit that can cut research and development costs by over sixty per cent, a refundable Ontario interactive digital media credit for thirty per cent of labor, distribution and marketing costs for digital games created in Ontario, a refundable Ontario computer animation and special effects tax credit for twenty per cent of labor costs for computer animation and visual effects employees, as well as credits for sound recordings and an additional twenty per cent refundable credit for production expenses if an animation business works with a university or college.

Your Committees also note that since 2001, the Hawaii Film Office has supported more than 7,000 film, television, and commercial projects; a \$7,300,000 renovation of the Hawaii Film Studio; and a competitive production tax credit (Act 88, Session Laws of Hawaii 2006) that has resulted in more than \$400,000,000 in direct expenditures since its inception.

In all three cases, the businesses must expend moneys on the various production activities before earning the tax credits - creating a win-win for both the business and the jurisdiction where the production activities take place.

To address several of the issues raised during the hearing, your Committees have amended this measure by:

- (1) Adding a findings and purpose section to clarify the requirement for locating digital media subzones within existing enterprise zones that are located on or in close proximity to University of Hawaii campuses;
- (2) Amending the definition of "digital media enterprise subzone" to specify that it is within an existing enterprise zone;
- (3) Replacing the specific tax credit percentage and tax credit caps with unspecified amounts;
- (4) Authorizing the Department of Business, Economic Development, and Tourism to establish an unspecified fee to process the taxpayer letter required for the digital media enterprise subzone workforce development tax credit, with the fee to be deposited in the Hawaii film office special fund;
- (5) Adding a definition of "Hawaii resident" as a person residing in Hawaii and who has paid Hawaii general excise taxes within the prior six months or Hawaii income taxes in the last calendar year;

- (6) Clarifying the language for digital media tax infrastructure tax credit in chapter 431:7- , Hawaii Revised Statutes, regarding investments by insurance companies;
- (7) Expanding revenues to the Hawaii film office special fund to include rents from usage of the Hawaii Film Studio; and fees collected by the Department of Business, Economic Development and Tourism for processing taxpayer letters pursuant for the digital media enterprise subzone workforce development tax credit and the Act 88 (Session Laws of Hawaii 2006) motion picture, digital media, and film production income tax credit, and the tax credit certification program for the digital media infrastructure tax credit;
- (8) Amending the effective date to July 1, 2020, for the purpose of encouraging further discussion; and
- (9) Making technical amendments for the purposes of clarity and consistency.

Additionally, your Committees encourage the University of Hawaii to propose use of its University of Hawaii-West Oahu Campus lands for public-private facilities development on a competitive basis, to assure the broadest range of development partners and digital media expertise can be secured for the campus' digital media subzone facilities.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2355, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2355, 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 (Slom). Noes, none. Excused, 3 (Hee, Taniguchi, Tokuda).

**SCRep. 2269 (Joint) Economic Development and Technology and Judiciary and Government Operations on S.B. No. 2143**

The purpose of this measure is to enhance the fiscal stability of the State Foundation on Culture and the Arts by authorizing use of the Works of Art Special Fund to fund position costs of the Executive Director and any other employee of the State Foundation on Culture and the Arts for a five-year period.

Testimony in support of this measure was submitted by the Hawaii Arts Alliance and two individuals. The Department of Budget and Finance submitted testimony in opposition. The State Foundation on Culture and the Arts, the Chairperson and two of the Commissioners submitted comments.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees are gravely concerned about the stability of the State Foundation on Culture and the Arts (SFCA) due to cuts of eleven full time equivalent positions in late 2009. The agency currently has no general-funded positions, and the National Endowment for the Arts (NEA) has expressed strong concern about continued federal funding of SFCA programs after these reductions in staffing. Your Committees commend the SFCA and its Commissioners for their commitment to meeting the NEA obligations and their combined efforts to reorganize the agency in order to do so. However, your Committees believe this will be difficult unless the Works of Art Special Fund is also reevaluated.

In testimony, the SFCA noted that allocations of the one per cent bond revenues were quite low last year (compared against approximately \$2,900,000 annually), and allotment advice for 2010 have been cancelled. Fifteen of the agency's twenty staff positions are funded through the Works of Art Special Fund and a large part of programming and operations - approximately \$3,000,000 - are made possible through special fund support. The SFCA projects that under current conditions, the special fund will be completely depleted in two to three years.

Your Committees are troubled that the funding levels deposited into the Works of Art Special Fund are being reported at relatively low levels at a time that the Legislature has funded capital improvements at historic highs to stimulate greater activity within the local economy. Between 2008 and 2009, for example, the Legislature appropriated \$308,033,000 for capital improvement projects (CIP) for the Department of Education in fiscal year 2008, and \$320,293,000 in CIP for fiscal year 2009; yet the impact of this increased spending appears not to be reflected in the amounts allocated to the Works of Art Fund. Accordingly, if the one per cent calculation for new construction and renovations were applied, the Works of Art Fund could potentially have received close to \$3,000,000 in both fiscal year 2008 and fiscal year 2009, just by virtue of the Department of Education's CIP appropriation alone.

This week, the State of Hawaii successfully sold \$721,600,000 of general obligation bonds to fund various state capital projects, including public school facilities, University of Hawaii projects and other statewide capital projects. As such, your Committees believe that the Legislature must monitor the implementation of section 103-8.5, Hawaii Revised Statutes, requirements more closely to assure that (a) the one per cent amount is calculated at the time that an Executive Budget appropriation bill is signed into law, and (b) that funds are transferred into the Works of Art Special Fund upon availability of funds from the appropriations (e.g., at the time of bond sales).

Your Committees therefore pledge to assist the SFCA by insuring that the Works of Art Special Fund receives the correct amounts specified by Section 103-8.5, Hawaii Revised Statutes, and by exercising greater oversight over the agency's operations to prevent further deterioration of its purpose.

Your Committees have amended this measure accordingly, by:

- (1) Limiting personnel costs to administrative, grants, and contracts personnel;
- (2) Deleting the provision excluding items from the one per cent amount of an agency's capital improvement appropriations;
- (3) Requiring an annual report to the Governor and the Legislature on the amounts due from each agency under the one per cent requirement; and

- (4) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and to repeal only the amendments regarding personnel costs to be expended from the special fund on June 30, 2015.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2143, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2143, 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 (Slom). Noes, none. Excused, 3 (Bunda, Gabbard, Hee).

**SCRep. 2270 (Joint/Majority) Human Services and Health and Judiciary and Government Operations on S.B. No. 2469**

The purpose of this measure is to appropriate moneys from the emergency and budget reserve fund of the State of Hawaii to maintain levels of programs determined to be essential to education, public health and public welfare.

Testimony in support of this measure was submitted by The Judiciary, State of Hawaii, State Council on Developmental Disabilities, County of Kaua'i Agency on Elderly Affairs, County of Hawaii Office of Aging, City and County of Honolulu's Elderly Affairs Division, Association for the Advancement of Retired Persons (AARP Hawaii), National Association of Social Workers, Hawaii Chapter, Hawaii Disability Rights Center, the Special Education Center of Hawaii (SECOH), Lanakila Pacific, Catholic Charities of Hawaii, Gregory House Programs, Hawai'i Primary Care Association, Child & Family Service, Waianae Coast Comprehensive Health Center, Moiliili Community Center, Maui Special Olympics, Hale Mahaolu, Hawaii Centers For Independent Living, The Arc of Kona, the Arc of Maui County, Easter Seals of Hawaii, Goodwill Industries of Hawaii, Inc., Healthcare Association of Hawaii, Hawaii Family Forum, Hawaii Waiver Providers Association, 'Ohana Health Plan, Special Education Advisory Council, Waikiki Community Center, The Salvation Army Honolulu Advisory Board, Volunteer Legal Services Hawaii, Good Beginnings Alliance, Blueprint for Change, Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled (PHOCUSED), Hawaii Medical Association, Hawaii Family Law Clinic, dba Ala Kuola, and 66 individuals. Testimony in opposition to this measure was submitted by the Department of Education and one individual. Comments about this measure were submitted by the Department of Budget and Finance and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that in 1999, the Legislature established the emergency and budget reserve fund as a temporary supplemental source of funding for the State of Hawaii in times of emergency, economic downturn, or unforeseen reduction in revenues. As set forth in section 328L-3, Hawaii Revised Statutes, specific purposes for the fund include the maintaining of levels of programs determined to be essential to public health, safety, welfare, and education. Specifically prohibited from appropriation allowances is funding items in collective bargaining contracts.

Your Committees also find that difficult economic times and declining tax revenues have resulted in budget cuts for all state services, and that some of the most vulnerable and needy members of the community will be the hardest hit by the reduction in services due to budget shortfalls. Your Committees further find that funding of certain programs and entities such as community centers, domestic violence shelters, Oahu Safe House, the Shelter Plus program and housing placement services allows members of the community to continue working as opposed to being forced to quit their jobs due to economic downturn or personal difficulties. Funding programs such as respite services, Kupuna Care Program, Volunteer Legal Services, Legal Aid, Hawaii Family Law Clinic and the Employment Core Services Program promotes the hiring or retention of current staff positions, all of which in turn keep our citizens working and fosters a stronger economy. Your Committees have left all appropriations amounts blank for further consideration, but find that the amounts that are needed to maintain essential services are as follows:

- (1) \$350,000 for respite services;
- (2) \$4,000,000 to supplement the Healthy Start program;
- (3) \$200,000 for Catholic Charities;
- (4) \$100,000 for the Kapahulu Center;
- (5) \$50,000 for the Moiliili Community Center;
- (6) \$120,000 for the Waikiki Community Center;
- (7) \$2,963,411 to maintain the Kupuna Care program;
- (8) \$220,000 for the Aging and Disability Resource Center;
- (9) \$13,000,000 for mental health services;
- (10) \$500,000 for the Partnerships in Community Living program;
- (11) \$3,500,000 for direct healthcare to the uninsured;
- (12) \$2,400,000 for substance abuse treatment;
- (13) \$250,000 for the Healthy Aging Partnerships program;
- (14) \$332,000 for the Waianae Coast Comprehensive Health Center's Emergency Department;
- (15) \$550,000 for the Hawaii Immigrant Health Initiative program;
- (16) \$600,000 for the Hawaii Children's Health Care program;
- (17) \$762,500 for domestic violence shelters;

- (18) \$233,280 for the Hale Mahaolu Adult program;
- (19) \$8,400,000 for disproportionate share hospital costs;
- (20) \$7,000,000 for Medicaid provider reimbursements;
- (21) \$300,000 for outstationed eligibility worker services;
- (22) \$40,525 for outreach services;
- (23) \$164,000 for outreach services to locate uninsured children;
- (24) \$125,000 for outreach services to locate uninsured adults;
- (25) \$420,595 for housing placement services;
- (26) \$500,000 for the Shelter Plus care program;
- (27) \$500,000 for the Oahu Safe House program;
- (28) Undetermined amounts for adult dental services, Medicaid, child care, general assistance, HIV/AIDS services and Blueprint for Change;
- (29) \$2,700,000 for domestic violence services;
- (30) \$400,000 for Volunteer Legal Services to provide pro bono legal services for indigent persons;
- (31) \$720,000 for Legal Aid Society to provide general civil legal services;
- (32) \$282,200 for the Hawaii Family Law Clinic to provide services to obtain temporary restraining orders;
- (33) \$254,565 for Catholic Charities to provide intra-familial sex assault services;
- (34) \$320,000 for the Children's Alliance to provide sex assault services;
- (35) \$1,800,000 for the Employment Core Services program;
- (36) \$75,000 for the Weed and Seed program in Ewa Beach;
- (37) \$466,000 for the Kapiolani Medical Center's operation of the Women and Children's Sex Abuse Treatment Center for sex assault services statewide; and
- (38) \$800,000 for non-school hours programs.

Your Committees have made technical, nonsubstantive stylistic changes for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Health and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2469, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2469, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Bunda, Hemmings).

**SCRep. 2271 (Joint/Majority) Education and Housing and Economic Development and Technology on S.B. No. 2905**

The purpose of this measure is to appropriate funds for the acquisition and development of information technology systems to redesign human resource management within the Department of Education.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure would assist the Department of Education in meeting federal requirements or criteria under the American Recovery and Reinvestment Act of 2009 and the Race to the Top grant to link teacher and principal effectiveness to student achievement. The Department's current human resources management system requires the additional integration capabilities enabled by this measure to meet the federal requirements or criteria of the American Recovery and Reinvestment Act of 2009 and Race to the Top grant.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2905 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, 1 (Hemmings). Excused, 3 (Chun Oakland, Hee, Slom).

**SCRep. 2272 Education and Housing on S.B. No. 2591**

The purpose of this measure is to improve the operation of the Hawaii Teacher Standards Board (HTSB) by:

- (1) Establishing an investigative panel;
- (2) Requiring the Attorney General or the Attorney General's designee to serve as an ex officio member of HTSB;

- (3) Requiring HTSB to include expenditure information in its annual report;
- (4) Authorizing HTSB to delegate powers and duties to its Executive Director;
- (5) Requiring HTSB to determine whether license fees shall be raised;
- (6) Requiring HTSB to develop a comprehensive plan for transferring nonessential functions and duties to other agencies;
- (7) Requiring HTSB to review its teacher license renewal process; and
- (8) Requiring HTSB and the Department of Education to clarify their respective powers, duties, and responsibilities.

Testimony in support of this measure was submitted by one state agency and one individual. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure implements valuable recommendations to improve the Hawaii Teacher Standards Board (HTSB). The HTSB is aware of many of the concerns raised by this measure and has already begun processes to address some of them. Accordingly, your Committee has amended this measure by:

- (1) Removing the provision that requires the establishment of an investigative panel for the HTSB, with the understanding that the HTSB will continue its efforts to examine and improve its criteria and processes for initial licensure, license maintenance, license renewal, and license revocation;
- (2) Removing the provisions requiring the Attorney General or the Attorney General's designee to serve as an ex officio member of the HTSB, as it would create a conflict of interest;
- (3) Adopting amendments proposed by HTSB that add additional requirements for licensure renewals and verification of meeting licensure renewal requirements; 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2591, 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, none.

**SCRep. 2273 Education and Housing on S.B. No. 2578**

The purpose of this measure is to establish a refundable Ohana residential housing income tax credit for qualified taxpayers.

Your Committee received testimony in support of this measure from Hawaii Association of Realtors and Castle & Cooke Hawaii. Testimony in opposition was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure establishes a refundable state income tax credit that mirrors the federal income tax credit but limits the tax credit to qualified taxpayers who purchase a qualified principal residence on or after April 1, 2010, and before January 1, 2012. Your Committee finds that stimulating the demand side of buying new homes by providing financial incentives to homebuyers would be a significant asset in turning around the current economic crisis faced by the construction industry and the overall state economy.

Your Committee further finds that establishing a state income tax credit for qualified taxpayers who purchase a newly constructed principal residence would help to reduce or avoid a potentially crippling housing market scenario in Hawaii once the federal tax credit expires. This tax credit would benefit the State by putting back to work many Hawaii taxpayers who make a living in the construction industry. The tax credit could also influence development of a greater supply of affordable housing in the State if contractors believe that there is sufficient demand for additional affordable housing.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2578 and recommends that 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 (Hemmings).

**SCRep. 2274 Education and Housing on S.B. No. 2605**

The purpose of this measure is to create a residential construction and remodeling tax credit for owners of residential real property for the taxable year in which it was claimed.

Your Committee received testimony in support of this measure from the Subcontractors Association of Hawaii and Hawai'i Association of Realtors. Testimony in opposition was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The amount of the tax credit under this measure is four per cent of the residential construction and remodeling costs paid by the taxpayer during the taxable year for which the credit is claimed. This measure includes an unspecified ceiling amount of costs and an unspecified year before which the costs must be incurred, which your Committee would defer to the Committee on Ways and Means to determine.



This measure is intended to stimulate the State's economy by encouraging residential construction and remodeling, which provides jobs and income and sets in motion the multiplier effect in the economy.

Your Committee also defers to the Committee on Ways and Means on whether the tax credit under this measure should be extended to lessees of real property and developers of real property. This issue was raised by the Department of Taxation, as well as whether the tax credit should be extended to partnerships, corporations, estates, trusts, and associations of apartment owners.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2605 and recommends that 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 (Hemmings).

**SCRep. 2275 Education and Housing on S.B. No. 2874**

The purpose of this measure is to allow taxpayers to write in an amount higher than \$2 that is equal or less than the individual's income tax refund amount for deposit into the school-level minor repairs and maintenance special fund.

This measure also allows taxpayers to write in an amount higher than \$2 that is equal or less than the individual's income tax refund amount for deposit into the libraries special fund.

Your Committee received testimony in support of this measure from the Department of Education and the Hawaii State Public Library System. Testimony in opposition was received from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Current law allows a \$2 designation from any refund of income taxes for deposit into the school-level minor repairs and maintenance special fund and a \$2 designation from any refund of income taxes for deposit into the libraries special fund. This measure is intended to significantly increase the amount deposited into the school-level minor repairs and maintenance special fund and the libraries special fund.

Your Committee finds that this measure would ease the budgetary burden of the Department of Education by allowing taxpayers to assist in financing various projects in a direct and meaningful way. Your Committee believes that every available opportunity should be considered with regard to the shared effort to improve education.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2874 and recommends that 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 (Hemmings).

**SCRep. 2276 Human Services on S.B. No. 2805**

The purpose of this measure is to establish licensing requirements for all clean and sober homes and halfway houses and to have the Department of Health establish rules and oversee them.

Testimony in opposition to this measure was submitted by the Department of Health; the Hawaii Substance Abuse Coalition; Hope, Help and Healing Kauai; Hina Mauka; Ka Hale Pomaika'i; Aloha House, Inc.; Community Alliance on Prisons; Oxford House, Inc.; and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that clean and sober homes and halfway houses are an integral part to the success of those released from incarceration. Assimilating back into society after such incarceration is difficult and it is important that these individuals get support when trying to maintain sobriety. The homes are also essential to those battling substance abuse in the community and are in need of a structured living environment, but not requiring formal therapeutic living constraints. Your Committee also finds that when people have stability while maintaining sobriety, they are more likely to maintain steady, gainful employment. Jobs will also be created or maintained when these homes remain open and retain their staff, all of which assists in supporting the economy. Your Committee further finds that although the intent of the measure may be important, the measure may violate Federal anti-discrimination and housing laws, and the requirement that the homes be licensed may create further problems with discriminatory practices. Your Committee additionally finds that establishing licensing requirements may not be the most effective way to monitor these homes, and that a task force may be better suited to determine the most appropriate course of action.

Accordingly, your Committee has replaced the contents of the measure with language establishing a task force headed by the Department of Health and composed of various representatives with intimate knowledge of the inner workings of clean and sober and halfway homes.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2805, 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. 2277 (Joint/Majority) Labor and Judiciary and Government Operations on S.B. No. 2840**

The purpose of this measure is to require at least eighty per cent of the workers on certain public works contracts and construction procurements to be residents of Hawaii.



Testimony in support of this measure was submitted by seven private organizations and two individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that over the past couple of years, the number of resident construction workers that have been unemployed or underemployed have been substantial. Your Committees also find that the current rate of unemployment in Hawaii has reached levels that have not been experienced locally for a number of years. Your Committees further find that the unique geographic isolation of Hawaii compounds the rate of unemployment because it restricts the ability of its residents to find work in, or relocate to, other states. Your Committees further find that the high rate of unemployment for resident construction workers on public works contracts and construction procurements is substantially related to the number of non-resident construction workers that are brought into Hawaii to work for the contractor on those projects.

Your Committees have amended this measure by:

- (1) Including in the purpose section a discussion about the high rate of unemployment for Hawaii residents in the construction industry, the hardship faced by residents only having the financial wherewithal to seek work in Hawaii because of its geographic isolation from other states and the economic difficulty of relocating to another state for work, and the number of non-resident construction workers that are employed by contractors on public works contracts and construction procurements;
- (2) Including in the purpose section a discussion of the United States Supreme Court's holding in *United Building & Construction Trades Council of Camden County & Vicinity v. Mayor and Council of the City of Camden*, 465 U.S. 208 (1984); and
- (3) Making technical, nonsubstantive amendments for the purposes of accuracy, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2840, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2840, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 3. Noes, 1 (Slom). Excused, 3 (Bunda, Gabbard, Hee).

**SCRep. 2278 (Joint/Majority) Labor and Judiciary and Government Operations on S.B. No. 2849**

The purpose of this measure is to:

- (1) Add three new sections on selection of benefit plan carriers, fiduciary duties, and liability for breach of fiduciary duty;
- (2) Exempt the Hawaii Employer-Union Health Benefits Trust Fund from the requirement to use the Attorney General;
- (3) Increase the membership of the Board of Trustees from ten to twelve and change the representation requirements of the members and their terms;
- (4) Authorize the Board of Trustees to retain an attorney who is independent of the Attorney General as legal advisor; and
- (5) Transfer the Employer-Union Health Benefits Trust Fund from the Department of Budget and Finance to the Department of Human Resources Development.

Testimony in support of this measure was submitted by one county agency, three private organizations, and two individuals. Testimony in opposition of this measure was submitted by two state agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that a change in the composition of the Board of Trustees for the Hawaii Employer-Union Health Benefits Trust Fund ("Trust Fund") is necessary for the efficient and effective operation of the Trust Fund as it pertains to negotiated health benefits. Your Committees also find that allowing the Board of Trustees to appoint a legal advisor that has Employee Retirement and Income Security Act experience and who is independent from the Attorney General will alleviate any concerns related to independent representation and would benefit the Trust Fund in exploring other alternatives or affiliations in the future.

Your Committees have amended this measure by:

- (1) Authorizing the Governor to appoint each of the trustees representing employee-beneficiaries, and authorizing the applicable respective collective bargaining units to select a nominee to submit to the Governor for appointment for each of those trustee positions;
- (2) Clarifying language regarding the appointment by the Governor of two trustees to represent public employers and the provision of two alternate trustees from the unrepresented counties; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Labor and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2849, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2849, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 3. Noes, 1 (Slom). Excused, 3 (Gabbard, Hee, Nishihara).

**SCRep. 2279 Judiciary and Government Operations on S.B. No. 2752**

The purpose of this measure is to provide for the mandatory assessment of administrative costs associated with investigating tax crimes when a taxpayer is convicted of a tax offense or has a conviction deferred.

Testimony in support of the measure was submitted by one state agency. Comments were submitted by one private organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the provisions proposed in this measure will serve as further deterrence for tax evasion and other similar behavior. The costs collected will be used for, among other things, administering the operations of criminal investigation for tax offenses.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2752 and recommends that 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 (Bunda).

**SCRep. 2280 Judiciary and Government Operations on S.B. No. 2685**

The purpose of this measure is to:

- (1) Reduce confusion regarding unclaimed property reporting requirements by requiring holders of unclaimed property to remit all property with their November 1 report and to remit no later than May 1;
- (2) Delete reference to a specific number of days by which claims must be acted upon; and
- (3) Make a technical correction to a reference to the unclaimed property trust fund.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the proposed revision to the reporting requirements will make Hawaii's law similar to all other states by requiring the reporting and remittance of all property at the same time, by November 1, thereby reducing confusion on the part of many companies. Your Committee understands that this change would be consistent with what many companies are already doing. Other amendments make changes that are intended to allow staff sufficient time to review claims and to make a technical correction within chapter 560, Hawaii Revised Statutes, to make it consistent with chapter 523A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2685 and recommends that 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 (Bunda).

**SCRep. 2281 (Majority) Judiciary and Government Operations on S.B. No. 2159**

The purpose of this measure is to increase the fee for a traffic abstract from \$7 to \$10 and increase the portion of the fee deposited into the general fund from \$5 to \$8.

Testimony in support of the measure was submitted by one state agency. Testimony in opposition to the measure was submitted by three private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the amount of the fee for a certified traffic abstract has not changed since 1996. Similar fees in other states range from \$0 to \$26. Your Committee does not believe that the fee increase would pose an undue burden on individuals, insurance companies, or businesses that request the abstracts but would result in additional revenue of approximately \$1,500,000 to be deposited into the general fund.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2159 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Bunda).

**SCRep. 2282 Judiciary and Government Operations on S.B. No. 2155**

The purpose of this measure is to authorize the Judiciary to pay for and collect convenience fees for electronic payment service fees of no more than fifteen cents per credit or debit card or electronic payment transaction.

The Judiciary submitted testimony in support of this measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Judiciary to recover the costs of services currently provided to the public that allow electronic payments of fines, fees, and court costs. Your Committee understands that the total number of affected transactions is approximately 3,300 to 4,000 transactions per month.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2155 and recommends that 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 (Bunda).

**SCRep. 2283 (Joint) Judiciary and Government Operations and Energy and Environment on S.B. No. 2659**

The purpose of this measure is to amend various sections of the Hawaii Public Procurement Code, chapter 103D, Hawaii Revised Statutes, to simplify and streamline the procurement processes to enable agencies to expeditiously acquire the resources or services they need to perform their missions.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that it is valuable, particularly in these economic times, to streamline the procurement process in order to lower processing costs for and speed acquisition of goods and services by governmental agencies, while providing fairness, open competition, and transparency. Your Committees note that there is another measure also relating to procurement, S.B. No. 2062, and believe that the streamlining provisions of S.B. No. 2659 should be incorporated into S.B. No. 2062 for convenience of discussion, while the amendments to the biofuel and oil recycling preferences may be better examined outside of the framework of an omnibus streamlining measure.

Your Committees have amended this measure by:

- (1) Deleting all portions of the measure unrelated to the biofuel and oil recycling preferences, specifically all sections except for sections 1 and 26, and the portion of section 22 that adds new definitions to section 103D-1001, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for consistency, conformity, and avoidance of redundancy.

As affirmed by the records of votes of the members of your Committees on Judiciary and Government Operations and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2659, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2659, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Bunda, Hooser, Ihara, Kokubun, Slom).

**SCRep. 2284 Judiciary and Government Operations on S.B. No. 2157**

The purpose of this measure is to:

- (1) Shift the cost of mailing administrative hearing requests and mileage from the Administrative Driver's License Revocation Office (ADLRO) to the person requesting the hearing; and
- (2) Increases the administrative hearing fee from \$30 to \$50.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, as costs and expenses increase for administrative hearings, certain cost-shifting and fee increases may reasonably be made. Regarding the administrative hearing fee increase, your Committee understands that, since the \$30 hearing fee was initially imposed in 2000, ADLRO's caseload has increased by fifty-six per cent, and virtually all costs regarding the hearings process have increased as well, including personnel and salaries, postage of multiple forms and notices, travel expenses, office supplies, and interpreter fee schedules. The current \$30 administrative hearing fee does not cover the cost to hold the hearing.

Your Committee understands that one of the primary reasons for the fee increase for the administrative hearings is travel expenses, and holding hearings via remote conferencing may alleviate a portion of these expenses. Your Committee notes that a measure considered during the last legislative session, S.B. No. 107, H.D. 1, proposed a method by which remote conferencing could be used to conduct hearings in a county other than the county of arrest. Your Committee believes that using this type of remote conferencing would be helpful in holding down the cost of the hearings and reducing the fee increase that is passed along to those requesting administrative hearings.

Your Committee has amended this measure by:

- (1) Inserting language from S.B. No. 107, H.D. 1, relating to remote conferencing; and
- (2) Reducing the proposed administrative hearing fee from \$50 to \$40.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2157, 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 (Bunda).

**SCRep. 2285 Judiciary and Government Operations on S.B. No. 2062**

The purpose of this measure is to:

- (1) Establish procurement preferences for public works contracts; and
- (2) Establish a responsible construction contractor law which specifies prerequisites for government construction contractors and subcontractors.

Testimony in support of this measure was submitted by three private organizations. Testimony in opposition was submitted by one government agency. Comments regarding this measure were submitted by one private organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that a responsible contractor law will enable state agencies to inquire and evaluate a bidder's history of labor law compliance and job performance. Further, these procurement provisions may help protect worker's rights on public projects and promote bid opportunities for responsible contractors. Your Committee notes that there is another measure under consideration by your Committee that also relates to procurement, S.B. No. 2659, and believes that the streamlining provisions of S.B. 2659 should be incorporated into this measure for completeness of discussion on procurement preference policies and procurement processes in general.

Your Committee has amended this measure by:

- (1) Adding the procurement streamlining provisions of S.B. No. 2659, specifically all sections of S.B. No. 2659, except for sections 1 and 26, and the portion of S.B. No. 2659 that deleted definitions from section 103D-1001, Hawaii Revised Statutes;
- (2) Deleting language regarding the inapplicability of the Responsible Construction Contractor Law to employees covered by a collective bargaining agreement that waives applicability of that law;
- (3) Retaining the definition of "paper materials", as that term is still used in sections of chapter 103D, Hawaii Revised Statutes;
- (4) Making technical conforming amendments to sections 103D-314, 103D-709, 103D-710, and 103D-1002, Hawaii Revised Statutes, to substitute the term "procurement officer" for "purchasing agency" and "head of purchasing agency"; and
- (5) Making other technical, nonsubstantive changes for the purposes of formatting, clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2062, 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 (Slom). Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 2286      Judiciary and Government Operations on S.B. No. 2819**

The purpose of this measure is to move Hawaii's primary election date to the second Saturday in August and to move the deadline for filing nomination papers to the first Tuesday in June, in order to enable the State to comply with new federal deadlines for mailing absentee ballots to uniformed and overseas voters.

Testimony in support of the measure was submitted by one state agency and one private organization. Comments were submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the amendments in this measure to change the primary election date are needed in order to comply with provisions of the Military and Overseas Voter Empowerment Act, P.L. 111-84, that governs when states are required to transmit absentee ballots to uniformed and overseas voters. Your Committee also finds that further discussion may be needed regarding any statutory consistency issues.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, and providing that the measure will apply to primary elections held prior to the regularly scheduled general election held in November 2060, in order to facilitate further discussion; and
- (2) Making other nonsubstantive changes for formatting and style purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2819, 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 (Bunda).

**SCRep. 2287      (Majority) Judiciary and Government Operations on S.B. No. 2454**

The purpose of this measure is to allow the Judiciary to charge fees to certify copies of pleadings, orders, transcripts, and other documents, as established by court rule.

Comments regarding this measure were submitted by two state agencies. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Judiciary to consider whether to impose a fee for the certification of copies of any pleadings, orders, transcripts, and other documents through rule adopted by the Hawaii Supreme Court. Your Committee believes, however, that the measure should be amended to exempt state agencies from the payment of these fees while allowing the limitation of this exemption by court rule.

Your Committee also recognizes the observation expressed in testimony that the title of this measure, "Public Agency Meetings and Records", seems to refer more than one subject, which arguably touches on the requirement expressed in article III, section 14 of the Hawaii State Constitution that each bill may only embrace one subject, as expressed in its title. Your Committee notes that the title of the measure is the title of the chapter being amended, chapter 92, Hawaii Revised Statutes, which is one subject.

Your Committee has amended this measure by:

- (1) Exempting state agencies from the payment of fees collected for certification of copies, while allowing the limitation of the extent of this exemption by court rule; and
- (2) Making a technical, nonsubstantive amendment to conform the title of section 92-25, Hawaii Revised Statutes, to the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2454, 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 (Bunda).

**SCRep. 2288      Judiciary and Government Operations on S.B. No. 2153**

The purpose of this measure is to apply the DNA analysis fee requirement to defendants with deferred pleas and to felony offenders transferring into Hawaii under an interstate compact.

Testimony in support of the measure was submitted by the Judiciary, the Department of the Prosecuting Attorney of Honolulu, and the Honolulu Police Department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, although existing law requires collection of buccal swab samples and print impressions from all persons, except for juveniles, who are convicted of, or plead guilty or no contest to, any felony offense even if the plea is deferred, not all offenders are required to pay the associated cost to conduct the DNA assessments from their buccal swab samples. Your Committee finds that requiring these omitted offenders to pay the DNA monetary assessment fee as well will assist in defraying the costs of the DNA analysis.

Your Committee has amended this measure by making technical, nonsubstantive amendments for stylistic and consistency purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2153, 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 (Bunda).

**SCRep. 2289      Judiciary and Government Operations on S.B. No. 2156**

The purpose of this measure is to authorize the Chief Justice to appoint a judge or justice to the position of Administrative Director of the Courts, while allowing the appointee to continue to receive the salary and benefits of the judicial position.

Testimony in support of the measure was submitted by the Judiciary. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Chief Justice flexibility in determining the best and most appropriate qualifications for the Administrative Director. A judge or justice's familiarity with the judicial system, through time spent on the bench, may be a particularly useful qualification for an Administrative Director to possess. Your Committee finds, however, that the term of such an appointment should be limited to no more than two years.

Your Committee has amended this measure by limiting the term of a judge or justice's appointment to the Administrative Director position to no more than two years.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2156, 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 (Bunda).

**SCRep. 2290      Judiciary and Government Operations on S.B. No. 2161**

The purpose of this measure is to:

- (1) Increase the amount of per diem stipends for out-of-state witnesses in criminal cases from \$110 to \$145 per day; and
- (2) Increase the per diem stipends by an additional \$90 per day for witnesses who must travel to another island to attend court, when that witness is required to stay overnight.

Testimony in support of the measure was submitted by three county agencies. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the current amount of per diem stipends may create a hardship on witnesses who must testify in our state courts, because the current stipends are simply inadequate to cover basic expenses in many cases. Requiring witnesses to pay out of their own pockets for hotel and food costs acts as a disincentive for witnesses to travel to appear in court. Your Committee also notes that the total aggregate increase in cost to the State will only be approximately \$3,000 per year.

Your Committee has amended this measure by:



- (1) Inserting an effective date of July 1, 2050 to facilitate discussion by the Committee on Ways and Means; and
- (2) 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2161, 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 (Bunda, Gabbard).

**SCRep. 2291 Judiciary and Government Operations on S.B. No. 2335**

The purpose of this measure is to implement the voting provisions for uniformed services and overseas absentee voters, as recommended by the Federal Voting Assistance Program.

Testimony in support of this measure was submitted by one state agency and two private organizations. Comments were submitted by the Chief Elections Officer. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the provisions in the measure are intended to comply with the Military and Overseas Voter Empowerment Act, P.L. 111-84, which amends parts of the Uniformed and Overseas Citizens Absentee Voting Act, codified at 42 U.S.C. sections 1973ff through 1973ff-6. Because the provisions within this measure are intended to comply with federal law rather than simply implementing recommendations, your Committee finds that the measure should be specifically tailored to the federal law, as recommended by the Chief Elections Officer.

Your Committee has amended this measure by:

- (1) Conforming the definitions for "absent uniformed services voter", "covered election", "member of the merchant marine", and "uniformed services" to the definitions in title 42 U.S.C. section 1973ff-6;
- (2) Adding a definition for "balloting materials", as defined in title 42 U.S.C. section 1973ff-6, and incorporating a reference to section 15-6, Hawaii Revised Statutes, which describes materials sent to absentee voters under state law;
- (3) Deleting the provision authorizing downloadable versions of absentee ballots via an internet site, as recommended by the Chief Elections Officer;
- (4) Deleting the provision making the transmission of unvoted ballots effective on July 1, 2012, as federal law requires these provisions to be effective in the upcoming November 2010 federal election;
- (5) Deleting the provision that would allow an absentee uniformed services voter, overseas civilian voter, or household family member who returns to the State after the last day of voter registration to be entitled to register and vote in that year's elections, because that provision is not required by the federal law, as noted by the Chief Elections Officer;
- (6) Repealing section 15-3.5, Hawaii Revised Statutes, as that section conflicts with the provisions in the measure dealing with the federal write-in absentee ballot and may not conform to the federal law;
- (7) Making revisions to the provisions pertaining to methods of electronic means of transmitting ballots so as not to require unsecure methods of transmitting ballots, as prohibited by the federal law; and
- (8) Making other technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2335, 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 (Bunda).

**SCRep. 2292 Judiciary and Government Operations on S.B. No. 2661**

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

Testimony in support of the measure was submitted by the Department of the Attorney General. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to satisfy all claims against the State, its officers, or its employees.

Your Committee has amended this measure by:

- (1) Adding claims for judgments and settlements, as recommended by the Department of the Attorney General; and
- (2) Changing its effective date to July 1, 2050 to ensure that this measure remains available to accommodate additional claims if necessary in this legislative session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2661, 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 (Slom). Noes, none. Excused, 1 (Bunda).



**SCRep. 2293 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations on S.B. No. 2676**

The purpose of this measure is to approve the settlement between Aloha Tower Development Corporation and Kenneth H. Hughes, Inc. and increase the budget ceiling appropriation from the Aloha Tower Fund.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

After completing an eighteen-month long arbitration proceeding and an additional six months of motions and hearings before the United States District Court, the Aloha Tower Development Corporation and Kenneth H. Hughes, Inc. reached a settlement agreement to resolve all disputes arising from the 2004 development agreement to develop Piers 5 and 6 within the Aloha Tower project area. The settlement agreement was entered into record before the court on November 13, 2009, and requires the Aloha Tower Development Corporation to make a one-time payment of \$1,550,000 to Kenneth H. Hughes, Inc. This measure increases the Aloha Tower Development Corporation's 2009-2010 budget appropriation and spending ceiling by \$900,000 from the Aloha Tower Fund to maintain the Corporation's annual budget and provide the necessary funds to make the one-time settlement payment. Your Committees find that this measure is necessary to pay the settlement sum, which is a significant savings from the arbitrator's ruling.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2676 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Hemmings, Nishihara, Tokuda).

**SCRep. 2294 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Commerce and Consumer Protection on S.B. No. 2531**

The purpose of this measure is to require licensing for archaeologists in the State and create the Board of Archaeologists.

Testimony in support of the measure was submitted by four individuals, and one state agency supports the intent. One state agency and two organizations submitted comments. Testimony in opposition was submitted by one organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees recognize the concerns raised by individual testifiers, that archaeologists working in the State need to be held to a high standard of quality, integrity, and cultural awareness. Increased scrutiny and accountability may be necessary to achieve these ends, but it may also be possible to achieve these same goals without establishing, funding, staffing, and managing a new state board. Your Committees find that a comprehensive review of the State's overall historic preservation program, including the management and regulatory structure and qualifications of staff, management, consultants, and professionals is necessary. Your Committees believe this measure, as amended, is a thoughtful and deliberate approach to developing a system that ensures the historic and cultural sites of Hawaii are treated appropriately by archaeologists and other historic preservation staff.

Your Committees have amended this measure by replacing its contents with another proposal, which:

- (1) Revives the 2006 State Historic Preservation Division's Archaeological Working Group and expands the membership to include members designated by Kamehameha Schools, the Office of Hawaiian Affairs, the Society for Hawaiian Archaeology, and archaeologists and historic preservation staff of state, county, and federal agencies;
- (2) Requires the expanded Working Group to compile, review, and amend the recommendations of the 2006 Working Group, with additional findings on:
  - (A) Whether a licensing or regulation system is necessary for archaeologists working in the State and if so, a proposed method of doing so;
  - (B) Developing ongoing professional development and educational opportunities for archaeologists in cooperation with the University of Hawaii at Manoa Applied Archaeology program and the Hawai'i inuiakea School of Hawaiian Knowledge; and
  - (C) Other states' methods of licensure, permitting, professional development, certificate requirements, or other qualification practices for archaeologists; and
- (3) Requires the Working Group to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2531, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2531, 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, 2 (Bunda, Ihara).

**SCRep. 2295 (Joint) Public Safety and Military Affairs and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 950**

The purpose of this measure is to authorize law enforcement officers of the Department of Public Safety and conservation and resources enforcement officers of the Department of Land and Natural Resources (DLNR) to use electric guns and related equipment while performing their duties.

Your Committees received testimony in support of this measure from two government entities, one labor organization, one private entity, and ten individuals. Testimony in opposition was received from one private entity. Comments were received from one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that electric guns provide a viable alternative to the escalation of the use of deadly force when dealing with non-compliant combative suspects, particularly in remote areas of the State. Electric guns reduce the risk of serious injury or death by providing a less-than-lethal means of exerting force when necessary.

The Chairperson of the Board of Land and Natural Resources testified that the DLNR is well into the process of obtaining training for its personnel to use electric guns, and anticipates receiving a federal grant to that effect.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2050 to continue the discussions in this matter; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety 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. 950, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 950, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (English, Kokubun, Tokuda).

**SCRep. 2296 Commerce and Consumer Protection on S.B. No. 2373**

The purpose of this measure is to prohibit the imposition of private transfer fees on the transfer of real property.

Your Committee received testimony in support of this measure from Hawai'i Association of Realtors, the Mortgage Bankers Association of Hawaii, the Hawaii Bankers Association, and Hawaii Financial Services Association. Your Committee received testimony in opposition to this measure from 1250 Oceanside Partnerships. Comments on this measure were received from Alexander & Baldwin, Inc., and Hawaii Land Title Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that private transfer fees are fees imposed by private parties which require a purchaser of real property to pay a certain amount upon closing of a sale of real property. Your Committee finds that these fees are currently unregulated and carry the potential for abuse if not subject to reasonable regulation. Your Committee notes that this measure provides exemptions to the general prohibition on transfer fees for legitimate charges that arise from the transfer of real property, fees paid by property developers, fees paid by purchasers who attempt to subvert the intention of affordable housing initiatives by purchasing property that was originally transferred at below market value pursuant to an affordable housing program, and fees and charges payable pursuant to a court order or settlement agreement that was issued prior to the effective date of this measure.

Your Committee has amended this measure by:

- (1) Clarifying the exception to the fee prohibition for fees payable to condominium associations, cooperative housing corporations, and planned community associations;
- (2) Exempting persons who purchase real property that was initially transferred at below market value pursuant to an affordable housing program from the prohibition on transfer fees;
- (3) Adding a new provision to clarify that fees and charges imposed in violation of this measure after the effective date of this measure shall be unenforceable;
- (4) Clarifying that this measure applies prospectively and that no cause of action shall lie for recovery of a fee charged prior to its effective date; and
- (5) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2373, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 2297 (Joint) Commerce and Consumer Protection and Health on S.B. No. 2599**

The purpose of this measure is to require insurers to provide coverage for colorectal cancer screening by colonoscopy every ten years after age fifty.

Your Committees received testimony in support of this measure from Kaiser Permanente, the Association of Hawaiian Civic Clubs, the American Cancer Society Hawaii Pacific, Inc., Hawaii Medical Service Association, Hawaii Association of Health Plans, and the Filipino Coalition for Solidarity. Testimony with comments was received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that colorectal cancer is preventable, treatable, and beatable when it is detected early. However, your Committees find that colorectal cancer is currently the third most common cancer in the United States and the second most common

cause of cancer deaths among both men and women. Your Committees note that the American Cancer Society estimates that over 710 Hawaii residents will develop colorectal cancer this year and approximately 200 will die from the disease. Your Committees find that when colorectal cancer is detected at the earliest stage, it has a five-year survival rate of ninety per cent. However, that rate drops to ten per cent if it is not detected until after the cancer spreads.

Your Committees note that although colorectal screening, including screening colonoscopy, is the only effective means of early detection, only about half of Hawaii residents over the age of fifty report having a screening exam. Your Committees find that this low screening rate is due to a lack of insurance coverage for routine screenings. Your Committees further find that mandating insurance coverage for routine colorectal screening will save both money and lives, as it will encourage early detection and allow for the use of cost-efficient and less invasive treatment options. Your Committees find that advances in medical technology have led to the availability of a variety of screening methods that patients, in consultation with their doctors, can choose to fit individual needs. Finally, your Committees note that the United States Preventative Services Task Force recommends against screening colonoscopy for persons over age seventy-five based on the risks of the procedure, although it does recommend the use of other screening modalities after that age.

Your Committees thank the Auditor for the thorough sunrise review of proposed legislation to mandate insurance coverage for screening for colorectal cancer. Your Committees note that the Auditor found that, according to at least one estimate, 18,800 lives in the United States could be saved annually if every person over the age of fifty were regularly screened for colorectal cancer. In addition, your Committees note that the Auditor found that while some insurance coverage for screening is available in the State, there are significant gaps in coverage availability such that a majority of Hawaii's insured population of asymptomatic adults between the ages of fifty and seventy-five are currently unable to access most methods of colorectal screening, including screening colonoscopy. Finally, your Committees find that, based on the Auditor's findings, the Auditor recommended the enactment of legislation to mandate insurance coverage for screening for colorectal cancer, including by screening colonoscopy.

Your Committees have amended this measure by:

- (1) Deleting a reference to colorectal screening by colonoscopy from the purpose section;
- (2) Amending each substantive section of the measure to include coverage for all screening modalities that have received a grade of A or B from the United States Preventative Service Task Force; and
- (3) Making nonsubstantive technical amendments for the purposes of clarity and accuracy.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2599, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2599, 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 (Hemmings, Nishihara, Sakamoto).

**SCRep. 2298 (Joint) Economic Development and Technology and Energy and Environment on S.B. No. 2413**

The purpose of this measure is to expand eligible business activity in the state enterprise zones to include the development or production of various types of renewable energy.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Hawaii Energy Policy Forum; Hawaii Laborers' Union; Hawaiian Electric Company, Inc.; and one individual. The Department of Taxation testified in opposition.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will facilitate private sector investment in clean energy production that will benefit the health, safety, and welfare of Hawaii by stimulating economic development and revitalization of neighborhoods in the designated enterprise zones, establishing "green jobs" for enterprise zone residents, and producing clean and sustainable renewable energy.

In addition, your Committees note that this measure has the support of the Hawaii Energy Policy Forum, which includes representatives from the electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands.

Your Committees have amended this measure by adding a findings and purpose section, which outlines the importance of this measure in enhancing Hawaii's struggling economy.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2413, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2413, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Ihara).

**SCRep. 2299 (Majority) Economic Development and Technology on S.B. No. 2114**

The purpose of this measure is to create greater efficiencies related to the State's information technology infrastructure by:

- (1) Including agency-wide technology and computer systems with an estimated useful life of greater than seven years as capital investments; and

- (2) Authorizing all agency and contracted labor costs for the installation, monitoring, and replacement of these technologies and computer systems to be financed with bond funds and depreciated as capital investments.

Testimony in support of this measure was submitted by the Department of Education. The Department of Budget and Finance submitted testimony in opposition.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that in March 2009, the Auditor released Report No. 09-06: "Audit of the State of Hawai'i's Information Technology: Who's in Charge?", which made a number of recommendations to the Legislature regarding the responsibilities of the various information technology (IT) governance entities.

Significantly, the Auditor found that both the Chief Information Officer (CIO) position established in 2004 and the IT governing bodies that were formed were established without clearly defined roles, duties, and responsibilities. The CIO's responsibilities as Comptroller, a position with numerous duties and responsibilities, have outweighed the CIO role, and key responsibilities such as strategic planning and setting statewide IT priorities have suffered correspondingly.

In Senate Bill No. 2548, S.D. 1, your Committee has implemented the Auditor's recommendations for IT governance by statutorily creating a cabinet-level CIO (effective on January 1, 2011, supported by the Information and Communications Services Division), and establishing an information technology steering committee to assist in developing an IT governance plan.

Other state and county CIOs have discussed the need for a stable source of funding and revenues as a key component of any strategic IT planning; currently, the state Judiciary is the only branch of government with an IT special fund for its operations. Act 203, Session Laws of Hawaii 1996, initially generated roughly \$800,000 a year. Currently, as amended by Act 299, Session Laws of Hawaii 1999, the fund brings in about \$5,000,000 annually from fees.

Your Committee believes that the recommendation to treat investments in technology as capital improvements by the 2009 Task Force on Reinventing Government (H.C.R. No. 76, H.D. 1, S.D. 1), makes eminent good sense, and agrees that it is time to modernize the State's IT infrastructure by annual allocations of designated amounts of state capital improvement project appropriations for large-scale IT investments.

Your Committee finds that this measure is one of several being considered to address inefficiencies in the State's information technology infrastructure, and to propose solutions that include upgrading, improving, or replacing technology and computer systems infrastructure in order to ensure greater efficiency and productivity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2114 and recommends that 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 (Hee).

#### **SCRep. 2300 Economic Development and Technology on S.B. No. 2548**

The purpose of this measure is to implement the information technology recommendations of Auditor's Report No. 09-06, by establishing within the Office of the Governor a Chief Information Officer and Information Technology Steering Committee to organize, manage, and oversee statewide information technology governance.

Testimony in support of this measure was submitted by the Hawaii Medical Service Association. Testimony in opposition was submitted by the Department of Accounting and General Services. Comments were submitted by the Judiciary and the High Technology Development Corporation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has framed this measure to implement the recommendations of the State Auditor in Report No. 09-06, *Audit of the State of Hawai'i's Information Technology: Who's in Charge?* (March 2009), which can assist the State of Hawaii in consolidating core information technology (IT) services and realigning key responsibilities to meet public sector operational needs in times of budget cuts and scarce government resources.

Based on the Auditor's January 15, 2010, presentation before your Committee, and presentations from the Chief Information Officers (CIO) from the State Judiciary, University of Hawaii, and City and County of Honolulu that illustrated the importance of high-level CIOs to streamline existing government operations through strategic IT choices, your Committee believes that the Legislature must provide specific guidance to the next administration on the need for a full-time state CIO.

Senate Bill 2548, S.D. 1, in conjunction with S.B. No. 2114, S.D. 1, reflects the Legislature's agreement on the urgent need for a cabinet-level CIO (with responsibilities for overseeing the State's Information and Communications Services Division), as well as the need for a stable funding source for information and communications infrastructure, applications, and services. Your Committee agrees with the January 2010 Report of the Task Force on Reinventing Government that major IT infrastructure, applications, and services should be viewed the same as physical buildings and structures, and funded as capital investments through bond financing.

Moreover, your Committee believes that leveraging the accomplishments and recommendations from other senior-level IT managers in state government - who may be appointed to serve on the Information Technology Steering Committee set forth in Senate Bill No. 2548, S.D. 1 - should assist the new CIO in tackling those areas with the greatest degree of potential for improving services to user stakeholders, efficiencies of scale, and related cost-savings.

Your Committee notes that the Task Force on Reinventing Government also recommended that the CIO supervise the Information and Communication Services Division, which is now under the Department of Accounting and General Services. Your Committee understands that under the current government structure, divisions are attached to departments, and in this measure the CIO is within

the Governor's Office. Your Committee has not formally transferred the Division, but has left clarification regarding the Division as part of the responsibilities of the CIO and the Information Technology Steering Committee.

Accordingly, your Committee has amended this measure by:

- (1) Adding supervision and oversight of the Information and Communication Services Division to the duties of the Chief Information Officer;
- (2) Expanding and clarifying the responsibilities of the Information Technology Steering Committee, including assessment of the progress of executive branch departments in meeting state information technology strategic plans; and
- (3) Adding a provision to the effective date that the appointment of the cabinet-level Chief Information Officer shall take effect January 1, 2011.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2548, 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 (Slom). Noes, none. Excused, 1 (Hee).

**SCRep. 2301 Economic Development and Technology on S.B. No. 2144**

The purpose of this measure is to ensure greater self sufficiency for economic development programs of the State by:

- (1) Requiring the Department of Taxation to report annually to the Legislature on the effectiveness of the motion picture, digital media, and film production tax credit;
- (2) Renaming the Hawaii television and film development special fund as the Hawaii film office special fund, requiring the first \$500,000 or an unspecified per cent of tax revenues realized from the effect of the motion picture, digital media, and film production tax credit to be deposited into the fund, and including personnel costs as uses of the fund moneys;
- (3) Amending the Hawaii community-based economic development revolving fund uses to require that moneys in the revolving fund be used to fund the Community-Based Economic Development Program and Enterprise Zone Program operational and staff costs; and
- (4) Repealing unnecessary television and film development definitions, the Hawaii Television and Film Development Board, grant and venture capital programs, and other miscellaneous provisions.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; County of Hawai'i Department of Research and Development; The Chamber of Commerce of Hawaii; Hawai'i Alliance for Community-Based Economic Development; Island Film Group; West Island Productions; and two individuals. The Department of Taxation and the Tax Foundation of Hawaii submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that that the three programs affected by this measure are substantial income-generators for the State, and cuts to the programs – particularly the loss of highly qualified staff – is shortsighted and harmful to the State's economic recovery.

Your Committee is not persuaded that the Director of Business, Economic Development, and Tourism will succeed in mitigating these cuts by reassigning "generalists" to undertake functions currently performed by technically-competent "specialists". In addition to the difficulty of performing specialized functions adequately, the Department has also cut "generalist" positions, leaving the remaining staff short of both specialized knowledge and time to carry out their additional duties. All three programs have significant statutory mandates that will suffer as a result.

Your Committee notes that when Act 88 (Session Laws of Hawaii 2006) was finally passed after years of debate, one of its major components was certification of the tax credits by the Hawaii Film Office staff to assist the Department of Taxation in administering the law. This requirement was intended to assure that the tax credits would be administered effectively, using the Film Office's detailed knowledge of film, television, and animation production operations to manage and market the program efficiently. It has proven highly successful, and jeopardizing this through personnel cuts in the Film Office will also impact the reduced staffing in the Department of Taxation.

In the case of the Community-Based Economic Development Program and the Enterprise Zone-Partnership, the loss of personnel with specialized expertise will make it difficult, if not impossible, to meet the mandates of Acts 124 and 174, Session Laws of Hawaii 2009, which expanded the scope and responsibilities of both programs. Your Committee finds it ironic that the department responsible for business development has paid little attention to Enterprise Zone-Partnership tax incentives. With its strong record of tracking job creation and business expansion, Enterprise Zone-Partnership credits are clearly among the most transparent and accountable of business tax credits currently in use.

Your Committee is fully aware of the State's fiscal condition, but finds that short-term savings carry long-lasting impacts for economic recovery.

Your Committee has amended this measure by:

- (1) Requiring the Department of Business, Economic Development, and Tourism to evaluate and report annually to the Legislature on the effectiveness of the motion picture, digital media, and film production income tax credit;
- (2) Deleting provisions relating to deposits in the Hawaii film office special fund from revenues realized from the economic impact of film production;



- (3) Adding revenues from film studio rents and tax credit processing fees for deposit into the Hawaii film office special fund;
- (4) Authorizing the Department of Business, Economic Development, and Tourism to assess an unspecified fee for processing Act 88 tax letters under section 235-17, Hawaii Revised Statutes;
- (5) Appropriating an unspecified amount out of the Hawaii film office special fund;
- (6) Appropriating an unspecified amount out of Temporary Assistance for Needy Families funds for deposit into the Hawaii community-based economic development revolving fund; and
- (7) 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 Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2144, 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 (Slom). Noes, none. Excused, 2 (Hee, Ige).

**SCRep. 2302 Health on S.B. No. 2163**

The purpose of this measure is to define the practice of nursing and delineate the scope of practice for registered nurses, licensed practical nurses, and advanced practice nurses in part by adopting the National Council of State Boards of Nursing Model Nursing Practice Act (NCSBN) and Model Nursing Administrative Rules that pertain to the scope and standards of nursing practice for registered nurses, licensed practical nurses, and advanced practice registered nurses.

Your Committee received testimony in support of this measure from the University of Hawaii at Manoa School of Nursing and Dental Hygiene and twenty-one individuals. Your Committee received testimony in support of the intent of this measure with amendments from the Department of Public Safety and the Board of Nursing. Your Committee received testimony in opposition to this measure from one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the demand from the health care community for clarification of the scope of registered and practical nursing practice has increased over the years. Your Committee further finds that adopting NCSBN provisions and rules will help Hawaii to conform to national guidelines governing nursing practice.

Your Committee has amended this measure by:

- (1) Removing proposed permission to advanced practice registered nurses to dispense controlled substances; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2163, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2303 Health on S.B. No. 2770**

The purpose of this measure is to clarify the definitions of "remote dispensing machine" and "remote dispensing pharmacy, in Section 461-1, Hawaii Revised Statutes".

Your Committee received testimony in support of this measure from Kaiser Permanente Hawaii, the Hawaii Medical Service Association, and Hawaii Pacific Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is intended purely to clarify the drugs and medications that can be dispensed at a remote pharmacy. This measure does not change the parameters of when a remote pharmacy can be open.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2770, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2304 Health on S.B. No. 2811**

The purpose of this measure is to require all pharmacies and remote dispensing pharmacies to have the capacity to maintain and transmit prescriptions electronically.

Your Committee received testimony in support of the intent of this measure with amendments from the Hawaii Medical Service Association. Your Committee received testimony in opposition to this measure from the Department of Health. The Board of Pharmacy submitted with comments on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has amended this measure by:



- (1) Changing the date of compliance with this measure from January 1, 2011 to January 1, 2012;
- (2) Including facsimiles in the accepted methods of transmitting prescriptions; and
- (3) Changing the effective date to July 1, 2050 to encourage further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2811, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2305 Health on S.B. No. 1309**

The purpose of this measure is to assist the Waianae Coast Comprehensive Health Center to continue to provide twenty-four-hour care to the residents of the Waianae coast by appropriating state funding for that purpose.

Your Committee received testimony in support of this measure from the Waianae Coast Comprehensive Health Center and the Hawai'i Primary Care Association. Your Committee received testimony in opposition to this measure from the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Waianae Coast Comprehensive Health Center is vital to ensure timely emergency medical services to the residents of the Waianae coast. Your Committee further finds that without an appropriation from the State of \$332,000, the Waianae Coast Comprehensive Health Center, one of most heavily utilized emergency service facilities on Oahu, will be forced to discontinue its twenty-four-hour per day emergency services.

Your Committee has amended this measure by:

- (1) Leaving the appropriation amount blank; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1309, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2306 Health on S.B. No. 2604**

The purpose of this measure is to delete the requirement that the Director of Health convene an advisory group to plan the development and implementation of prevention programs and make recommendations on expenditures. Instead, this measure transfers the responsibility of the advisory group to the Tobacco Prevention and Control Advisory Board.

This measure also amends the composition of the Tobacco Prevention and Control Advisory Board so that no more than one member of the board shall be an employee or contractor of the Department of Health.

Your Committee received testimony in support of this measure with amendments from the American Cancer Society Hawaii Pacific, Inc. Your Committee received testimony in opposition to this measure from the Department of Health and the Tobacco Prevention and Control Advisory Board. Comments were received from the Coalition for a Tobacco Free Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that as Hawaii has fallen from the state with the fourth lowest smoking rate in the nation to the fifth lowest, and because of the wide disparity in smoking rates between populations within Hawaii, stricter oversight of the tobacco control and prevention trust fund is warranted.

Your Committee has amended this measure by:

- (1) Making the advice of the Tobacco Prevention and Control Advisory Board to the Department of Health Prescriptive; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2604, 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, none.

**SCRep. 2307 (Joint) Health and Economic Development and Technology on S.B. No. 2203**

The purpose of this measure is to allow for the establishment of health care enterprise zones providing tax and loan incentives for primary care practitioners in those geographic areas.

Your Committees received testimony in support of this measure from the Department of Health and the American Congress of Obstetricians and Gynecologists. Your Committees received testimony in opposition to this measure from the Department of Taxation and one individual. Comments in support of the intent of this measure with amendments were received from the Hawaii Primary Care

Association and the Hawaii Medical Association. The Department of Business, Economic Development, and Tourism submitted testimony commenting on this measure. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this State is suffering from a shortage of physicians, especially primary care physicians, which results in hardship and delays for residents seeking medical care. This problem is particularly acute in rural areas.

Your Committees further find that this measure will allow for the creation of Healthcare Enterprise Zones to provide incentives for primary care providers to practice in underserved areas in order to help those areas alleviate the healthcare shortage. For purposes of this measure, any county having a population of less than 50,000 is considered to be underserved.

Your Committees have amended this measure by:

- (1) Requiring any affected county to concur with the Department of Health's designation of a Healthcare Enterprise Zone; and
- (2) Changing the effective date to July 1, 2050 to encourage further discussion of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2203, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2203, 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 (Hee, Hemmings, Slom).

**SCRep. 2308 (Joint/Majority) Health and Human Services on S.B. No. 2382**

The purpose of this measure is to require the Department of Health to develop a plan to improve hospital discharge and follow-up care procedures for premature infants to better ensure standardized and coordinated hospital discharge and follow-up care for infants born prematurely.

Your Committees received testimony in support of this measure from Healthy Mothers Healthy Babies Coalition of Hawaii. Your Committees received testimony in opposition to this measure from the Department of Health. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that premature birth is the leading cause of newborn death and that it is associated with very high incidences of serious, debilitating health problems. Your Committees further find that this measure will improve the quality of care for newborn infants born prematurely by increasing parent awareness of the health issues specific to premature infants and by developing a plan to improve hospital discharge and follow-up procedures for infants born prematurely.

Your Committees have amended this measure by:

- (1) Including an appropriation from Healthy Hawaii Initiative funds to carry out the purposes of this Act; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2382, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2382, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 1 (Hemmings). Excused, 3 (Baker, Espero, Ihara).

**SCRep. 2309 (Joint) Health and Transportation, International and Intergovernmental Affairs on S.B. No. 2611**

The purpose of this measure is to assist the county real property assessment divisions to correctly impose the real property tax exemption by requiring the Department of Health to provide each county's real property assessment division with copies of the monthly list of death records currently provided to the county clerks offices. This measure ensures that no fee will be charged to either the county clerks or the county real property assessment division for this information.

In addition to the name of the deceased, this measure requires the Department of Health to provide, if available, the last four digits of the deceased's social security number, the deceased's date of birth, date of death, and last known address.

Your Committees received testimony in support of this measure from the County of Hawaii. Your Committees received testimony in support of the intent of this measure with amendments from the County of Kauai and the County of Maui. Testimony in opposition was received from the Department of Health. Comments were received from the Office of the City Clerk. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that receiving a list of death certificates in a timely manner enables the counties to keep their databases updated. Your Committees further find that when the counties rely on out of date information the hardship falls on taxpayers who will then have to pay recalculated taxes or may have tax liens and penalties due from taxes being sent to a deceased person's address.

Your Committees have amended this measure by:

- (1) Allowing the counties to request full social security numbers of deceased people when the basic information provided matches more than one person in the county clerk's or county real property assessment division's database; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2611,

as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2611, 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 (Gabbard).

**SCRep. 2310 Human Services on S.B. No. 2598**

The purpose of this measure is to repeal the exemption from the clean claims law for health plans contracting with the State under its Medicaid program.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii, Hawaii Medical Service Association (HMSA), and Hawai'i Primary Care Association. Comments on this measure were submitted by the Department of Human Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Medicaid is vital to the health of many low-income individuals and families, and that the State has contracted with several health care providers to deliver services to these recipients. Your Committee also finds that many of the health care plans are now experiencing long delays in payments from the State, and consequently must delay payments to doctors, hospitals, and those ultimately providing the service. This measure will provide an incentive for the State to make timely payments to health plans under contract with the State for its Medicaid program.

Your Committee further finds that there is a significant shortfall in Medicaid funds to meet the growing enrollment in the program by families and individuals in need. The Department of Human Services is contemplating a potential four month delay in payments to health care plans. The estimated amount of funds this delay would equate to is approximately \$400,000,000. This delay in payment to health care plans would impact payment to health care providers and ultimately will negatively impact patient care and access to health care.

In addition, the Department of Human Services anticipates implementing a program called Basic Health Hawaii, which would incur additional costs to start up this new program beginning July 1, 2010.

Further, the Department of Health intends to transfer behavioral health clients currently under their responsibility to the Department of Human Services QUEST and QUEST Expanded programs by March 1, 2010, which will exacerbate the Medicaid shortfall even further.

Your Committee additionally finds that it is not good business practice to delay payments for such long periods of time with no consequences as the delays have a negative ripple effect on the provision and accessibility of health care. In this regard, your Committee believes that further incentive is required to ensure timely payments. Your Committee additionally finds that ensuring that healthcare providers get paid promptly is an important element in retaining physicians in the State of Hawaii. There are currently many deterrents for doctors here, including the high cost of malpractice insurance and the lack of support from the healthcare plans. Prompt payments to these doctors is an incentive for doctors to continue to practice in the State, which has a positive effect on jobs and the local economy. This measure, as amended, would address, in part, the significant Medicaid shortfall and is intended to mitigate the negative economic impacts on the most vulnerable people in the State.

Accordingly, your Committee has amended this measure by requiring the State to pay interest on delayed payments, unless certain circumstances apply. Your Committee has also changed the effective date to provide for further discussion of the issue and has made technical, nonsubstantive stylistic changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2598, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2311 (Joint) Human Services and Public Safety and Military Affairs on S.B. No. 2720**

The purpose of this measure is to authorize the Executive Director of the Office of Youth Services to issue warrants for the arrest and return to custody of wards paroled from the Hawaii Youth Correctional Facility. Additionally, this measure authorizes county police and State law enforcement officers to arrest any ward who absconds from furlough or escapes from the Hawaii Youth Correctional Facility.

Testimony in support of this measure was submitted by the Department of Human Services Office of Youth Services, and the City and County of Honolulu Department of the Prosecuting Attorney. Comments on this measure were submitted by The Judiciary, State of Hawaii. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that once a youth is paroled from the Hawaii Youth Correctional Facility, there is very little that can be done if they violate the terms of their parole unless they commit a new act in violation of the law. Your Committees also find that it is important to law enforcement agencies and the community to be able to remand youth offenders back into custody if they are in violation of the terms of their parole for their own guidance as well as the safety of the community at large.

Your Committees have amended this measure by:

- (1) Correcting the reference to "a person over nineteen years of age" to "a person nineteen years of age";
- (2) Clarifying the authority of the Director of the Office of Youth Services to "revoke" parole, rather than "grant" parole, to ensure that prior court approval is obtained when specifically required in the commitment order;

- (3) Deleting the words, "in like manner as ordinary criminal process" in reference to how law enforcement should execute warrants to arrest and return paroled wards to actual custody; and
- (4) Making technical, nonsubstantive stylistic amendments for purposes of clarity and consistency, including setting forth language of the section to be repealed.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2720, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2720, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (English).

**SCRep. 2312 Human Services on S.B. No. 2716**

The purpose of this measure is to ensure compliance with federal Title IV-E State Plan requirements relating to federally mandated timelines, hearings, and case plan requirements for child protective proceedings.

Testimony in support of this measure was submitted by the Department of Human Services, the Department of the Attorney General, and three individuals. Comments on this measure were submitted by The Judiciary, State of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that children are one of the greatest assets in our community and they also represent the future of our State. Your Committee also finds that it is vitally important to protect them from harm and to ensure that mechanisms are in place to facilitate this. Your Committee further finds that it is imperative that our State have provisions in place to comply with federal Title IV-E guidelines in order to assure the receipt of over \$50,000,000 in federal funds each year.

Accordingly, your Committee has amended the measure by:

- (1) Clarifying provisions regarding permanency hearings pursuant to the recommendation of the Department of Human Services;
- (2) Changing its effective date to July 1, 2010; and
- (3) Making technical, nonsubstantive stylistic amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2716, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2313 (Joint/Majority) Labor and Human Services on S.B. No. 2369**

The purpose of this measure is to provide emergency, nonrecurring, benefits for victims of domestic or sexual violence and to expand current provisions for unemployment insurance, emergency leaves of absence, and insurance protections.

Testimony in support of this measure was submitted by three private organizations and two individuals. Testimony in opposition of this measure was submitted by three state agencies. Comments on this measure were submitted by two private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that a devastating financial impact can result to victims of domestic or sexual violence if they are out of work for an extended period of time or have to take an unpaid leave of absence from work as a result of the domestic or sexual violence. Your Committees also find that it is imperative that certain laws be improved to better assist the victims of domestic or sexual violence with any unexpected monetary crisis that may arise during such a difficult time.

Your Committees further find that in light of a number of legitimate concerns raised in the hearing about this measure and taking into account the increase in reported incidents of domestic violence, that may in part be due to the current economic climate, your Committees voted to pass this measure out to encourage further discussion regarding this important matter.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Labor and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2369, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2369, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, 1 (Slom). Excused, 3 (Bunda, Hee, Hemmings).

**SCRep. 2314 Public Safety and Military Affairs on S.B. No. 2745**

The purpose of this measure is to update the Uniform Controlled Substances Act.

Your Committee received testimony in support of this measure from the two government entities. Comments were received from one private entity. Testimony in opposition was received from one private entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure makes statutory amendments to conform to the federal Controlled Substances Act, which is required annually by Hawaii law. Among other things, this measure also clarifies:

- (1) The order to show cause law to require that notice be provided when revoking or suspending a registrant's controlled substance registration certificate; and
- (2) The penalty relating to failure to transmit controlled substance prescriptions data to the Department of Public Safety (DPS) by deleting the requirement to purge the patient identification number data on all controlled substance prescriptions after three years, because maintaining the data beyond three years is necessary due to administrative, civil, or regulatory investigations that last longer than three years.

To ensure consistency in the regulation and enforcement of controlled substances, the Federal Controlled Substances Act serves as the basis for classification of all controlled substances on a national level. Section 329-11(a), Hawaii Revised Statutes, requires the (DPS) to make appropriate revisions to update chapter 329, Hawaii Revised Statutes, relating to the Uniform Controlled Substances Act, to conform to changes in federal law.

Your Committee has amended this measure by:

- (1) Removing "salvinorin A", "salvia divinorum", and "divinorin A" from the list of hallucinogenic substances because these substances have not been placed on the schedule by the federal government;
- (2) Reinstating "intentional and reckless" in reference to the failure to transmit information to the Narcotics Enforcement Division, at the request of pharmacist who expressed concern that an inadvertent and unintentional omission could render them liable;
- (3) Reinstating the purging provision and extending the time to keep patients' identification number of the patient in the central repository system for up to five years instead of three, to facilitate administrative, civil, and regulatory investigations that last longer than three years; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2745, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2745, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 2315 (Joint) Health and Human Services on S.B. No. 2270**

The purpose of this measure is to ensure fair compensation to acute care hospitals that provide care to Medicaid patients while they wait for openings in long-term care facilities, as well as to provide fair compensation to long-term care facilities that treat patients with medically complex conditions who were previously in acute care hospitals.

Your Committees received testimony in support of this measure from Kaiser Permanente Hawaii, The Queen's Medical Center, Hawai'i Pacific Health, the Healthcare Association of Hawaii, and The Chamber of Commerce of Hawaii. Your Committees received testimony in opposition to this measure from the Department of Human Services. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that due to the chronic shortage of long-term care beds, acute care hospitals often keep patients for long periods of time after they no longer need acute care services. Your Committees further find that although some patients in long-term care facilities who were previously in acute care facilities require a higher standard of care than the average long-term care facility patient, reimbursement rates remain at the long-term care level.

Your Committees also find that Medicaid reimbursement rates to acute care hospitals and long-term care facilities are based on the level of care needed by a patient and cause significant losses in the circumstances discussed above. This measure is intended to alleviate the financial burden to acute care hospitals and long-term care facilities.

Your Committees have amended this measure by adding language to require that state matching funds for Medicaid reimbursement equity be provided by specifically designated appropriations and if such funding is not available, then reimbursements will be calculated using existing Medicaid reimbursement rate methodology. Your Committees have also made technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2270, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2270, 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 (Baker, Espero, Ihara).

**SCRep. 2316 (Majority) Labor on S.B. No. 2324**

The purpose of this measure is to authorize an individual that is attached to a regular employer who is not offering work to still receive unemployment insurance benefits even if that individual voluntarily or involuntarily separates from part-time employment.



Testimony in support of this measure was submitted by three private organizations. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is essential to preserve unemployment insurance benefits for certain unemployed or underemployed individuals that are attached to a regular employer who is not offering work. Your Committee also finds that it is not fair or equitable to withdraw unemployment insurance benefits from an unemployed or underemployed individual that seeks out part-time work, even if that individual is later voluntarily or involuntarily separated from the part-time employer. Your Committee further finds that the Department of Labor and Industrial Relations has identified some concerns about this measure that your Committee deems to be valid and worthy of further discussion on its merits. In passing this measure it is the intent of your Committee to work closely with the Department of Labor and Industrial Relations to adequately resolve these concerns.

Your Committee has amended this measure by:

- (1) Amending section 383-29.6, Hawaii Revised Statutes, instead of section 383-30, Hawaii Revised Statutes, to more appropriately address the intent of this measure;
- (2) Removing the repeal date of section 383-29.6, Hawaii Revised Statutes, to ensure that the amendments made herein are not repealed pursuant to Act 170, Session Laws of Hawaii 2009;
- (3) Clarifying the requirements for unemployment insurance benefits under this measure, including applicable wage requirements for the base period of the current claim; and
- (4) Authorizing an individual that is attached to a regular employer who is not offering work to still receive unemployment insurance benefits under certain circumstances if the individual separates from an employer offering part-time employment.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2324, 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 (Hee).

**SCRep. 2317 (Majority) Labor on S.B. No. 2549**

The purpose of this measure is to:

- (1) Amend the appropriation amounts allocated to the workforce investment boards on the islands of Oahu, Maui, Kauai, and Hawaii;
- (2) Amend the appropriation to be used by the workforce development council; and
- (3) Repeal the appropriation allocated to the Department of Labor and Industrial Relations for administrative expenses.

Testimony in support of this measure was submitted by three county agencies, twelve private organizations, and seven individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that county workforce investment boards are critical to assisting unemployed and underemployed individuals find and retain new jobs. Your Committee also finds that sufficient funding is necessary for each county workforce investment board to provide successful job training, research related to the job opportunities in each county, and develop long-term career objectives for unemployed or underemployed individuals in each county.

Your Committee further finds that only federal Reed Act monies shall be used for the purposes of this measure and no general funds or other fiscal resources of the State shall be encumbered or expended for the purposes of this measure. Currently there is an available balance of approximately \$13,000,000 in Reed Act monies and this measure is authorizing an appropriation of \$5,000,000 from those available monies.

Your Committee has amended this measure by:

- (1) Reducing the amount appropriated from the unemployment insurance trust fund from \$10,000,000 to \$5,000,000; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2549, 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 (Hee).

**SCRep. 2318 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2915**

The purpose of this measure is to establish a process for the Hawaii Community Development Authority (HCDA) to enter into development agreements for lands within the Kakaako Community Development District.

Testimony in support of the measure was submitted by three private organizations. Comments were submitted by HCDA and one private individual. Written testimony presented to your Committees may be reviewed on the Legislature's website.



Your Committees find that predictability in the development approval process encourages investors and developers and enables community planning that is consistent and well-designed. While development agreements are commonly used by HCDA in the Kakaako Community Development District, more certainty is needed in implementing development agreements so that developers are reassured that their carefully designed housing or commercial projects continue to be viable and not entirely subject to change at any time. Accordingly, your Committees find that providing some predictability for developers is important. However, your Committees note that grants of development rights vesting must be tempered in order to avoid separation of powers issues.

One of the largest projects under development is being planned by Kamehameha Schools, encompassing twenty-nine acres within the Mauka Area of the Kakaako Community Development District. Given the mixed-use urban village envisioned by the HCDA and Kamehameha Schools, this type of predictability is needed. Your Committees also note that the plans for the City and County of Honolulu's rail project currently run through the Kaakako area. The HCDA noted that the fifty-foot setbacks required for the project have already been taken into account.

Your Committees have amended this measure by:

- (1) Revising the provisions regarding vesting of development rights in order to address issues of separation of powers;
- (2) Inserting an effective date of July 1, 2050, in order to ensure further discussion regarding these issues; and
- (3) Making technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2915, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2915, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Espero, Fukunaga, Kokubun, Tokuda).

**SCRep. 2319 (Joint/Majority) Human Services and Commerce and Consumer Protection on S.B. No. 2030**

The purpose of this measure is to exempt QUEST plans from paying interest under the clean claims act when delays are due to non-payment by government payers to QUEST plans.

Testimony in support of this measure was submitted by Ohana Health Plan, Kaiser Permanente, and Hawaii Medical Service Association (HMSA). Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs and the Department of Human Services. Comments on this measure were submitted by Aloha Care. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the Medicaid and QUEST programs are vital to the health of many low-income individuals and families. The State has contracted with several health care providers to deliver services to these recipients. Your Committees also find that many of the health care plans are now experiencing long delays in receiving payments from the State. Consequently these health care plans must delay payments to doctors, hospitals, and those ultimately providing the service. This measure will provide an incentive for the State to make timely payments to health plans under contract with the State for its Medicaid program.

Your Committees further find that there is a significant shortfall in Medicaid funds to meet the growing enrollment in this program by families and individuals in need. The Department of Human Services is contemplating a potential four month delay in payments to health care plans. The estimated amount of funds this delay would equate to is approximately \$400,000,000. This delay in payment to health care plans would impact payment to health care providers and negatively impact patient care and access to health care. The delay also forces health plans to incur interest penalties if they are not timely with their payments to health care providers.

In addition, the Department of Human Services anticipates implementing a program called Basic Health Hawaii, which would incur additional costs to the plans to start up this new program beginning July 1, 2010.

Further, the Department of Health intends to transfer behavioral health clients currently under their responsibility to the Department of Human Services QUEST and QUEST Expanded programs by March 1, 2010, which will exacerbate the Medicaid shortfall even further.

Your Committees additionally find that it is not good business practice to delay payments for such long periods of time with no consequences as the delays have a negative ripple effect on the provision and accessibility of health care.

Accordingly, your Committees have amended this measure by requiring the State to pay interest on delayed payments, unless certain circumstances apply. Your Committees have also added an appropriation of \$70,000,000 from the Hawaii hurricane relief fund as a funding source to partially address the Medicaid shortfall, including but not limited to, reducing the number of months in the delay of payments to plans and other providers of health care services, providing Medicaid coverage to Compact of Free Association migrants, and addressing the need of Medicaid enrollment. In addition, your Committees have included language that authorizes the Department of Human Services to expend up to \$140,000,000 in federal funds to augment the \$70,000,000 State appropriation.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2030, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2030, 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 (Ihara). Noes, 1 (Hemmings). Excused, 1 (Sakamoto).

**SCRep. 2320 Education and Housing on S.B. No. 2588**

The purpose of this measure is to clearly enable the Charter School Administrative Office to withhold directly from the annual charter school general fund appropriation up to two per cent for operational expenses of the office, and to allocate the balance of the annual appropriations to the charter schools.

Your Committee received testimony in support of this measure from the Charter School Administrative Office and Hawaii Technology Academy. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure clarifies that the Charter School Administrative Office, as a state office, should be allowed to first withhold from the annual appropriation its operational expenses including the salaries of the executive director and staff before the appropriations are then allocated by the office in an equitable manner to the charter schools.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2588 and recommends that 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, none.

**SCRep. 2321 Education and Housing on S.B. No. 2586**

The purpose of this measure is to:

- (1) Require the Charter School Review Panel (CSRP) to determine a clear process with rigorous criteria for charter schools to be reauthorized;
- (2) Require the CSRP to reauthorize a charter school no later than three years following the initial issue of the charter, and every five years thereafter;
- (3) Require the Charter School Administrative Office (CSAO) to withhold funds for its operational expenses, the total amount of which shall be determined by the CSRP, not to exceed two per cent of the total charter school general fund appropriation;
- (4) Require the CSAO to report annually to the CSRP individual and aggregate operational and instructional expenditures of charter schools;
- (5) Require per-pupil allocation checks paid by the CSAO to individual charter schools to be co-signed by the Executive Director of the CSAO and an agent of the CSRP; and
- (6) Repeal the cap on the number of start-up and conversion charter schools.

Testimony in support of this measure was submitted by one organization. Testimony in support of the intent of this measure was submitted by one state agency and one organization. Comments were submitted by one state agency and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that what began as a charter school movement has developed into a viable and expanding system. Your Committee also finds that with the development of the charter school system comes challenges relating to accountability and the administration and reauthorization of a growing number of new and existing charter schools. Your Committee finds that this measure addresses a number of these issues by, among other things, ensuring that prudent financial decisions are made, maintaining a consistent standard of quality across charter schools, and removing restrictions on the growth of the charter school system.

Your Committee finds that an extra year of transitional time is necessary to allow schools to become fully operational as charter schools upon the initial issue of a charter. Accordingly, your Committee has amended this measure by lengthening from three years to four years the amount of time between the Charter School Review Panel's initial issue of a charter to a school and reauthorization of that school, and requiring the Panel to reauthorize that charter school every four years thereafter.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2586, 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, none.

**SCRep. 2322 (Majority) Education and Housing on S.B. No. 2579**

The purpose of this measure is to create an extended learning opportunities program in the public schools. This measure also makes an unspecified appropriation the Department of Education to establish an extended learning opportunities program.

Your Committee received testimony in support of this measure from the Department of Education. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The purpose of the extended learning opportunities program is to provide public school students with opportunities to expand student learning and to participate in a variety of extracurricular activities. The program is intended to reduce risk-taking behaviors, provide positive developmental opportunities, and improve the academic performance of students.

Your Committee finds that students who benefit from extended learning programs typically have both parents working or have single parents, resulting in young people left without adult contact or supervision at home following the regular school day. After-school activities can provide young people with a positive alternative to spending time on the streets or being home alone in the afternoons.

This measure allows nonprofit organizations and public-private partnerships to promote, fund, and sponsor extended learning opportunities.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2579, 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 (Galuteria, Kidani, Tsutsui). Noes, 1 (Hemmings). Excused, none.

**SCRep. 2323 Education and Housing on S.B. No. 2571**

The purpose of this measure is to establish the Board of Education Candidate Nomination Commission to nominate candidates for the Board of Education to be appointed by the Governor.

Testimony in support of this measure was submitted by two private organizations. Testimony in support of the intent of this measure was submitted by one private organization. Testimony in opposition to this measure was submitted by three state agencies. Comments were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the nomination and appointment process identified in this measure will increase the Board of Education's accountability for matters relating to public education in Hawaii. Your Committee also finds that the use of a Board of Education Candidate Nomination Commission will produce a number of well-qualified candidates that will help the Board of Education make important policies guiding the State's public school system.

Your Committee also finds that the student member on the Board of Education adds a unique perspective to the Board and enhances the Board's understanding and knowledge of issues addressed by the Board. Your Committee finds that the student member should be given voting privileges to appropriately reflect and honor the student member's contributions to the Board. Accordingly, your Committee has amended this measure by:

- (1) Adding a provision to authorize the Board of Education student member to vote on all matters before the Board, except for those matters relating to fiscal and personnel issues, to take effect only upon ratification of an appropriate constitutional amendment;
- (2) Amending the criteria for the member of the Board of Education Candidate Nomination Commission who shall be appointed by the Chairperson of the Executive Council of the Hawaii State Student Council; 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2571, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Chun Oakland). Noes, none. Excused, none.

**SCRep. 2324 Education and Housing on S.B. No. 2567**

The purpose of this measure is to:

- (1) Require the Department of Education to use standards-based curriculum that include teaching materials that are consistent with the federal government's Race to the Top fund selection criteria; and
- (2) Require the Department to report to the Legislature recommendations for the establishment of consistent curricula and assessments and methods of optimizing economies of scale in the purchase of teaching materials for military students who are transitioning to Hawaii schools.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure increases the State's competitiveness for grants such as the federal Race to the Top Program. Your Committee also finds that the State educates many students from military families and that setting standards and assessments for statewide curriculum may improve the State's ability to provide a quality education to these students.

Upon further consideration, your Committee has decided to amend this measure as follows:

- (1) Requiring the Department of Education to approve one set of teaching materials that are consistent with the federal government's Race to the Top fund selection criteria for standards and assessments;
- (2) Requiring that the teaching materials approved by the Department of Education be a standard set of teaching materials used by all public schools, except upon the approval of a waiver by the Department;
- (3) Requiring the Department's standards-based curriculum to include the set of teaching materials; and
- (4) Requiring the Department of Education to initiate a collaborative effort with the Joint Venture Education Forum and the Department of Defense Education Activity toward the selection and approval of the standard set of teaching materials to facilitate the transition of military students who are transferring into Hawaii public schools.

These amendments should increase savings to the State arising out of economies of scale, allow negotiations relating to professional development to include the standard teaching materials, and facilitate the transition of both teachers and students transferring into or between schools in Hawaii's public school system.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2567, 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, none.

**SCRep. 2325 Education and Housing on S.B. No. 2431**

The purpose of this measure is to implement a comprehensive system of educational accountability for the purpose of improving performance of students and of the educational system.

Your Committee received testimony in support of this measure from the Office of the Governor. Testimony in opposition to this measure was received from one state agency and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will increase accountability for the State's public education system. Your Committee further finds that longitudinal data will help teachers in assessing and planning classroom curriculum. Your Committee notes that data collection is a major initiative of the United States Department of Education and will likely be a requirement of upcoming federal law.

Your Committee has amended this measure by deleting its contents and replacing them with a new section requiring the Department of Education to develop an internet-based, publicly accessible system for reporting student test scores and other indices of the performance of students and the educational system according to the criteria specified in section 302A-1004, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2431, 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 (Galuteria).

**SCRep. 2326 Education and Housing on S.B. No. 2336**

The purpose of this measure is to require that all public schools, including charter schools, offer a minimum of one hundred ninety instructional days per school year.

Testimony in support of this measure was submitted by one state agency, three private organizations, and one individual. Testimony in support of the intent of this measure was submitted by one private organization and two individuals. Comments were submitted by two state agencies and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the United States' average of 180 days of classroom instruction per year ranks the nation behind more than twenty countries, including Japan, West Germany, South Korea, Israel, and Scotland, which all average at least 200 days of classroom instruction per year. Your Committee further finds that within the nation, Hawaii's average number of hours of classroom instruction per week ranks second to the bottom at 30.1 hours per week. To worsen the situation, teacher furloughs implemented during the 2009-2010 and 2010-2011 school years will make Hawaii the state with the lowest number of instructional days in the nation. This measure attempts to raise Hawaii's standards for instructional time to greater parity with other states and countries.

Upon the consideration of data on instructional time in other countries and states, your Committee has amended this measure by:

- (1) Including an additional minimum requirement of thirty-six hours of instruction per school week for all public schools, noting that the intent of this measure is not to prohibit any school employee flexible work schedules that are authorized under existing law or collective bargaining agreements;
- (2) Excluding charter schools and multi-track schools from the mandatory minimum number of instructional days per school year and instructional hours per school week, with the understanding that this measure also does not apply to virtual and online schools and programs in the public school system, since an adequate means of calculating the comparable amount of instructional time earned from those schools and programs has yet to be determined; and
- (3) Changing the effective date to July 1, 2011, to prevent interference with the terms of collective bargaining agreements that are effective until June 30, 2011.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2336, 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, none.

**SCRep. 2327 Education and Housing on S.B. No. 2068**

The purpose of this measure is to establish a pilot program for mandatory junior kindergarten and kindergarten attendance in one public school complex on each island.

Testimony in support of this measure was submitted by one state agency. Testimony in support of the intent of this measure was submitted by one private organization. The Governor submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii's children benefit from early learning opportunities such as junior kindergarten and kindergarten. The pilot program proposed in this measure would evaluate the effects of early education on student performance.

However, your Committee also finds that implementing the pilot program requires additional funding that is not available at this time. Accordingly, your Committee has amended this measure by:

- (1) Deleting the provisions establishing the pilot program;
- (2) Requiring the Early Learning Council, with the assistance of the Department of Education, to assess the existing junior kindergarten and kindergarten program; and
- (3) Requiring the Department of Education to report to the Legislature annually for five years the findings from the Early Learning Council's assessment to inform future decisions affecting early education in Hawaii.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2068, 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 (Galuteria).

**SCRep. 2328 Education and Housing on S.B. No. 2589**

The purpose of this measure is to require the Department of Education to make available vacant school facilities or portions of school facilities for use by charter schools and to require the Charter School Review Panel to review and approve or deny applications to use vacant school facilities or portions of school facilities.

Testimony in support of this measure was submitted by one state agency, two organizations, and one individual. Testimony in support of the intent of this measure was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, when the Department of Education closes non-charter public schools due to financial constraints or other reasons, those available spaces are school-safe and ready for use by public charter schools, and do not require the charter schools to conduct expensive conversion of non-school facilities to add food service facilities, libraries, health rooms, and libraries. Additionally, the amendments proposed in this measure will allow charter schools to expend their much-needed funds on curriculum and learning, rather than on facility-related costs.

Your Committee has amended this measure by:

- (1) Specifically allowing all or portions of the facilities to be used; and
- (2) Directing the Charter School Review Panel to compile a prioritized list of charter schools wishing to use the public school facilities.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2589, 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, none.

**SCRep. 2329 Education and Housing on S.B. No. 2593**

The purpose of this measure is to require the Hawaii Housing Finance and Development Corporation to conduct periodic reviews of housing projects certified for a general excise tax exemption to determine whether the housing projects have met eligibility criteria required by law and rule.

Testimony in support of this measure was submitted by one private organization and one individual. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has been informed that about 700 applications for general excise tax exemptions are reviewed annually by the Hawaii Housing Finance and Development Corporation and then filed. Your Committee is not certain how many affordable housing units are granted this exemption and if indeed the State is receiving all of the general excise tax revenues owed to the State from the properties in question. It is also unclear how many millions of dollars the State has excepted and how many millions of dollars may be collected with proper oversight.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2593, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2593, 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 (Galuteria, Kidani, Tsutsui). Noes, none. Excused, 1 (Hemmings).

**SCRep. 2330 Education and Housing on S.B. No. 2594**

The purpose of this measure is to add a residency requirement for households in a newly constructed or moderately or substantially rehabilitated housing project developed by a qualified person or firm in order for that person or firm to be considered to receive a general excise tax exemption.

Testimony in support of this measure was submitted by one private organization and one individual. Testimony in opposition to this measure was submitted by one state agency and two private organizations. Comments on this measure were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that during the current economic recession that is being experienced by this State, this measure would provide a financial incentive to developers and owners of rental units for low and moderate income renters and for homeowners residing in new or substantially rehabilitated homes. Your Committee also finds that this measure establishes a fair playing field for resident individuals and families who, in addition to meeting the low gross annual income requirement, intend to actually reside and live in the affordable rental unit.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2594, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2594, 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 (Galuteria, Kidani, Tsutsui). Noes, none. Excused, 1 (Hemmings).

**SCRep. 2331 Education and Housing on S.B. No. 2786**

The purpose of this measure is to require the Department of Education to establish a searchable budget database website that will be made publicly available no later than July 1, 2011.

Testimony in support of this measure was submitted by one state agency and three individuals. Comments were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the requirements of this measure will enhance the transparency of operations within the Department of Education that will enable the Legislature to further assist the Department in achieving its mission and objectives. Your Committee also finds that implementation of a searchable budget database would benefit the Department of Education by improving its financial accountability. Your Committee further finds that the Department of Education has indicated some concerns in implementing the requirements of this measure that appear to be valid, thus your Committee believes that this measure is worthy of further discussion on the merits of the concerns raised by the Department. Your Committee also recommends that all other state agencies, including the University of Hawaii, adopt policies that implement and provide semi-annual updates to a searchable budget database that is comparable to the requirements discussed for the database in this measure.

Your Committee has amended this measure by:

- (1) Clarifying that salary costs of employees would be disclosed as ranges of salaries, rather than specific salary amounts, in accordance with section 92F-12(a)(14), Hawaii Revised Statutes;
- (2) Deleting the requirement for the Department of Education to provide a description of the planned uses for expenditures of \$1,000 or more in each fiscal year;
- (3) Adding the requirement that the searchable budget database shall update the financial data posted on a semi-annual basis; and
- (4) Providing the Department of Education with the alternative to establish and implement the searchable budget database in phases if the Department receives less than one hundred per cent of the appropriation needed to complete the searchable budget database in one fiscal year; provided that the initial phase shall be implemented and completed no later than July 1, 2011.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2786, 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, none.

**SCRep. 2332 Education and Housing on S.B. No. 2590**

The purpose of this measure is to require the Department of Education to consider making public school facilities available to charter schools when public schools are closed.

Testimony in support of this measure was submitted by three state agencies and two organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, when the Department of Education closes non-charter public schools due to financial constraints or other reasons, those available spaces are school-safe and ready for use by public charter schools, and do not require the charter schools to conduct expensive conversion of non-school facilities to add food service facilities, libraries, health rooms, and libraries.



Additionally, the amendments proposed in this measure will allow charter schools to expend their much-needed funds on curriculum and learning, rather than on facility-related costs.

Your Committee has amended this measure by:

- (1) Specifically allowing all or portions of the facilities to be used;
- (2) Requiring the Department of Education to consider use of all or portions of the facilities to be used for other educational purposes, if no charter school requests such use or if no charter school is an appropriate candidate for such use;
- (3) Directing the Charter School Review Panel to compile a prioritized list of charter schools wishing to use the public school facilities;
- (4) Directing the Department of Education to adopt rules creating a priority list for evaluating the order in which the facilities of the public school may be offered for use and occupancy for educational purposes, and the criteria to be used by the Department for evaluating an appropriate use for the facilities; and
- (5) Making technical, nonsubstantive amendments for style and consistency purposes.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2590, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2590, 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, none.

**SCRep. 2333 (Joint) Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2818**

The purpose of this measure is to improve the environmental review process in the State to create a more streamlined, transparent, and consistent process.

Specifically, this measure:

- (1) Transfers the Office of Environmental Quality Control and the Environmental Council from the Department of Health to the Department of Land and Natural Resources;
- (2) Reduces the membership of the Environmental Council from fifteen members to seven;
- (3) Establishes the Environmental Review Special Fund; and
- (4) Revises the environmental assessment and environmental impact statement process.

Testimony in support of this measure was submitted by one organization and one organization supports the intent. Three organizations submitted comments. Testimony in opposition was submitted by three state agencies, two county agencies, seven organizations, and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

For nearly forty years, Hawaii's environmental review system has served the State well by ensuring public disclosure of environmental impacts before agencies make decisions to approve programs and projects. However, in recent years, Hawaii's system of environmental review has drifted from the original goal of informing agency decision-making about potential impacts. The system has become inefficient, focusing too much on low-impact projects, exemptions, and litigation, rather than on large projects, the quality of analysis, and early public participation.

In response to these concerns, the Legislature in Act 1, Session Laws of Hawaii 2008, requested a full examination of Hawaii's environmental review system, which had not been done since 1991. This measure incorporates the recommendations of the University of Hawaii Environmental Review Study.

Hawaii's "trigger" and "exempt" approach is now considered archaic compared to the more efficient "discretionary approval" approach used in many other states and the focus on "major" actions under well-accepted federal law. The diverse group of stakeholders of the current system, of whom more than 170 participated in this study, has different views about the specific problem and solutions, yet there is a shared sense that the system is in need of change.

The study proposed that Hawaii update, refocus, and streamline its environmental review system by replacing the current "project trigger" screen, which encourages late review and eleventh hour public participation, with a new "earliest discretionary approval" screen to encourage early review and public participation. Under this measure, environmental review will apply to major government actions and to private actions tied to an agency discretionary approval process. To increase predictability, agencies will maintain public lists of major discretionary actions that require review and those ministerial actions that do not.

Your Committees find that this measure requires additional scrutiny and review, and hope that the stakeholders will continue to work toward the effort of an improved system of environmental review. Your Committees have invited the University of Hawaii study team, the Director of the Office of Environmental Quality Control, the Chair of the Environmental Council, a member of the Environmental Council with a background in planning, and representatives of the Building Industry Association – Hawaii, Sierra Club Hawaii Chapter, the Land Use Research Foundation, Earthjustice, Belt Collins, and the Nature Conservancy to participate in a working group to develop further recommendations. Your Committees recognize that the working group may not achieve consensus on each aspect of the environmental review process, but hope that each member of the group will work in a spirit of compromise to seek a middle ground.

Your Committees have amended this measure by:

- (1) Removing the transfer provisions for the Office of Environmental Quality Control and the Environmental Council to move to the Department of Land and Natural Resources, and leaving the Office and Council under the Department of Health;
- (2) Increasing the membership of the Environmental Council from seven to nine members;
- (3) Including a session law to clarify that present members of the Environmental Council shall serve through June 30, 2012, or until new members are appointed and confirmed;
- (4) Clarifying when an environmental assessment shall be required;
- (5) Clarifying that the mitigation monitoring report is a disclosure document that requires the approving agency to report on permit mitigation monitoring five and ten years after the completion of the record of decision;
- (6) Adding a definition of "significant adverse environmental effect" for clarity;
- (7) Increasing the number of years that an environmental assessment or environmental impact statement is valid from seven to ten years;
- (8) Changing the effective date to July 1, 2010 for the amendments to chapter 341 and section 343-6, Hawaii Revised Statutes, and keeping the effective date for the remaining amendments to chapter 343 at July 1, 2012; and
- (9) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

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. 2818, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2818, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair and the Majority Leader on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Ihara, Takamine, Tokuda).

#### SCRep. 2334 Judiciary and Government Operations on S.B. No. 2246

The purpose of this measure is to amend or repeal 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 this 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.** L 2005, c 218, §1 amended section 188-34, HRS, to include a restriction on fishing in Kahului harbor, effective December 31, 2006 (L 2005, c 218, §3). L 2006, c 241, §5 amended the effective date of Act 218 from December 31, 2006 to June 30, 2007 and added a repeal and reenactment for section 188-34, HRS, to the day before the effective date of Act 218 (June 29, 2007) upon the effective date of administrative rules adopted by the department of land and natural resources regarding user conflicts at Kahului harbor. On April 30, 2009, Kahului harbor fisheries management area administrative rules were adopted to address user conflicts in the harbor.

Thus, section 188-34, HRS, should be reenacted to how it read on June 29, 2007 by eliminating the references to Kahului Harbor.

**Section 2.** L 2008, c 19, §62 amended the definition of "Hotel/hotel-condo" in section 486K-1, HRS, to read ""Hotel", "hotel-condominium" or "condominium-hotel"". Sections 205A-30.5(b), and 205A-71(b), HRS, refer to the former definition of "hotel/hotel-condo".

Sections 205A-30.5(b), and 205A-71(b), HRS, should be amended to conform to the new definition.

**Section 3.** L 2009, c 88, §3 amended section 291E-6, HRS, by, among other things, deleting all references to chapter 804, relating to bonds, in subsections (a), (b), (c), and (d), but inadvertently left the chapter 804 reference in subsection (c)(3).

Section 291E-6, HRS, should be amended by amending subsection (c)(3) to delete the reference to chapter 804.

**Section 4.** Section 10 of this bill proposes to repeal section 302A-463, HRS, the advisory commission on gender equity in sports, which expired on July 1, 2003. Section 302A-462(a), HRS, refers to the commission and should be amended to delete the reference to the expired commission.

**Section 5.** L 2009, c 97, §2 repealed section 348-9, HRS, the statewide council on independent living. Section 348-8, HRS, still refers to the council in subsections (a)(1) and (d). Subsections (a)(1) and (d) should be amended to delete the reference to the obsolete council.

**Section 6.** L Sp 2009, c 22 replaced the term "naturopathy" or like terms with "naturopathic medicine" or like terms, in chapter 455, HRS, and amended the definition of naturopathic physician in section 455-1, HRS, from a person who holds a license to practice "naturopathy" to a person who holds a license to practice "naturopathic medicine".

The definition of "physician" in section 386-1, HRS, (workers' compensation) includes "a naturopath". The term "naturopath" in section 386-1, HRS, should be changed to "naturopathic physician", the term now used in chapter 455, HRS.

**Section 7.** L 2003, c 212 renamed the definition of "life or health insurer" to "life or accident and health or sickness insurer" in various sections of chapter 431, HRS, but did not conform the term in the definition of "negative trend" in section 431:3-401, HRS.

The term "life or health insurer" in the definition of "negative trend" in section 431:3-401, HRS, should be changed to "life or accident and health or sickness insurer" to make it consistent with the rest of chapter 431, HRS, as amended by Act 212.

**Section 8.** L 2008, c 108, §§5 and 6 changed the “Trade Names” part designation of chapter 482, HRS, from part I to part II. Section 431:9A-107(f)(2), HRS, states in part “if the licensee has registered a trade name pursuant to part I of chapter 482”. As the Trade Names part designation in chapter 482, HRS, has been changed from part I to part II by Act 108, reference to “part I” should be changed to “part II”.

**Section 9.** L Sp 2009, c 22 replaced the term “naturopathy” or like terms with “naturopathic medicine” or like terms, in chapter 455, HRS, and amended the definition of naturopathic physician in section 455-1, HRS, from a person who holds a license to practice “naturopathy” to a person who holds a license to practice “naturopathic medicine”.

Section 657-7.3, HRS, contains the term “naturopath”. The term “naturopath” in section 657-7.3, HRS, should be changed to “naturopathic physician” to conform to the amendments made by L Sp 2009, c 22.

**Section 10.** Section 302A-463, HRS, provides in subsection (c) that the advisory commission on gender equity in sports shall expire three years after July 1, 2000, which would be on July 1, 2003.

As July 1, 2003 has long passed, section 302A-463, HRS, should be repealed as functus.

**Section 11.** L Sp 2009, c 24, §2 amended section 353H-21, HRS, by adding a subsection (b) which provided that the legislative oversight committee established by section 353H-21, HRS, pursuant to L Sp 2007, c 8 for the department of public safety was to cease to exist on July 1, 2009. As this date has passed, part II of chapter 353H, the offender reentry legislative oversight committee and section 353H-21, HRS, of which it is the only section, is functus and should be formally repealed.

**Section 12.** The prefatory language of L 2009, c 169, §8, states that “section 423D-23” is amended to read as follows. However, “section 432D-23” is the section that is actually being amended. The prefatory language of L 2009, c 169, §8, should be amended to state that “section 432D-23” is being amended.

Your Committee received testimony in support of this measure from the Legislative Reference Bureau.

Your Committee has amended this measure to make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2246, 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 (Bunda).

**SCRep. 2335 Ways and Means on S.B. No. 2834**

The purpose of this measure is to allow gambling losses to be deducted up to the amount of gambling winnings for state income tax purposes.

Your Committee finds that this measure brings Hawaii into conformity with the Internal Revenue Code on the treatment of wagering winning and losses and eliminates confusion currently experienced by taxpayers that travel to gambling destinations.

Testimony in support of this measure was submitted by a government agency and comments were submitted by a private organization. The written testimony and comments may be reviewed on the Legislature’s website.

Your Committee amended this measure by correcting the text of section 235-2.4, Hawaii Revised Statutes, which is amended by this measure. The text of section 235-2.4, Hawaii Revised Statutes, now includes the amendments made to the section by Act 133, Session Laws of Hawaii 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. 2834, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2834, 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, 5 (English, Fukunaga, Hee, Hemmings, Tokuda).

**SCRep. 2336 Ways and Means on S.B. No. 2747**

The purpose of this bill is to effectuate its title.

Senate Bill No. 2747 was introduced as a short-form bill, which is sometimes referred to as a “vehicle” bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

Upon consideration, your Committee has amended this bill by deleting its content and by replacing it with language conforming state tax law to the latest amendments to the Internal Revenue Code.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2747, as amended herein, and recommends that it be recommitted to the Committee on Ways and Means, in the form attached hereto as S.B. No. 2747, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tokuda).

**SCRep. 2337 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 1601**

The purpose of this short form bill is to amend the law relating to the Land Use Commission.

Your Committee has amended this bill by inserting language to require that at least one member of the Land Use Commission be a farmer.

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 action herein, and recommends that it be recommitted in the form attached hereto as S.B. No. 1601, S.D. 1, to your Committee on Water, Land, Agriculture, and Hawaiian Affairs for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Fukunaga, Tokuda).

**SCRep. 2338 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2527**

The purpose of this measure is to amend the definition of "agricultural commodity" to include livestock of the bovine, equine, swine, sheep, or goat species and the carcasses or meat of those species.

Testimony in support of the measure was submitted by one state agency, five organizations, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Presently, producers of agricultural products included in the definition of "agricultural commodity" enjoy an exemption from the general excise tax for intra-state shipping. Your Committee finds that this measure will fairly permit livestock producers to also take advantage of the agricultural commodity exemption from the general excise tax for intra-state shipping.

Your Committee has amended this measure by including in the definition of "agricultural commodity" milk, eggs, and poultry.

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. 2527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2527, 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 (Kokubun, Tokuda).

**SCRep. 2339 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2738**

The purpose of this measure is to authorize the Chairperson of the Natural Area Reserves System Commission to designate a representative from the Natural Area Reserves System Commission to serve on the Legacy Land Conservation Commission and authorize the members of the Legacy Land Conservation Commission to elect the chairperson.

Prior to holding a public hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The proposed S.D. 1 includes the purpose of the measure, and adds amendments to:

- (1) Expand the responsibilities of the Legacy Land Conservation Commission to include the protection of lands and the environment from harmful invasive species infestations and the costs related to infestation eradication; and
- (2) Permit the Land Conservation Fund to pay grants to state and county agencies for harmful invasive species prevention and eradication efforts.

Testimony in support of the measure, excluding the amendments proposed in the S.D. 1, was submitted by one state agency, one organization, and two individuals. Those same testifiers opposed the amendments in the proposed S.D. 1, however, the organization and two individuals recognize the need for a dedicated fund for invasive species control. Testimony in support of the proposed S.D. 1 was submitted by one organization, and one organization submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Chairperson of the Natural Area Reserves System Commission has a disproportionate amount of responsibility due to the statutory requirement that the Chairperson also serve as the Chairperson of the Legacy Land Conservation Commission, especially considering the position is a volunteer, unpaid position. This measure would permit the Chairperson to distribute the workload more evenly and fairly between members of the Legacy Land Conservation Commission and the Natural Area Reserves System Commission.

Additionally, your Committee finds that the State is at a critical juncture for invasive species control. Creative solutions are needed to fund the State's dire need for agricultural inspectors. The Land Conservation Fund presently has approximately \$4.3 million, and your Committee hopes that \$1 million of that total will be used for invasive species control. Although your Committee recognizes the concerns raised, more favorable solutions have not been offered. This is one method of providing the needed funding for the prevention and eradication of harmful invasive species.

Your Committee has amended this measure by incorporating the amendments set forth in the proposed S.D. 1.

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. 2738, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2738, 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 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2340 (Joint/Majority) Ways and Means and Judiciary and Government Operations on S.B. No. 2395**

The purpose of this measure is to establish that the budget shall prevail over statutory law whenever they are in conflict.

The measure also requires the Governor to execute the provisions of the state budget and final budget worksheets and to report to the Legislature on all actions taken within thirty days of the enactment of the budget.

Your Committees received testimony in support of this measure from the Hawaii State Teachers Association and the Hawaii Government Employees Association. Testimony in opposition to the measure was received from the Attorney General and the Department of Budget and Finance. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that past appropriations approved by the Legislature for a variety of programs, services, and capital needs have either not been released by the Administration or have been transferred to finance other programs of the Administration's choosing. This practice has had grave consequences for thousands of organizations and individuals that participate in the legislative process. Thus, your Committees believe that the state budgetary process requires corrective modification to restore the constitutional balance between the legislative and executive branches of state government. This measure restores that balance, along with other legislation introduced during this legislative session to better define the budgetary responsibilities and duties of the legislative and executive branches.

Your Committees have amended this measure by allowing the Administration to disregard this measure when there is an underestimation of state tax revenues. Your Committees have also amended the measure by removing the requirement that the Governor execute the provisions of the final budget worksheets.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2395, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2395, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 13; Ayes with Reservations (Bunda). Noes, 2 (Hemmings, Slom). Excused, 3 (Gabbard, Hee, Tokuda).

**SCRep. 2341 Ways and Means on S.B. No. 2695**

The purpose of this measure is to address the fiscal year 2009-2010 budget shortfall by transferring to the general fund a total of \$10,000,000 in excess balances from certain non-general funds.

Specifically, this measure transfers to the general fund:

- (1) \$5,000,000 from the wireless enhanced 911 fund;
- (2) \$500,000 from the state motor pool revolving fund;
- (3) \$1,000,000 from the state risk management revolving fund;
- (4) \$1,500,000 from the medicaid investigations recovery fund; and
- (5) \$2,000,000 from the University of Hawaii housing assistance revolving fund.

Testimony in support of this measure was submitted by a state agency. The University of Hawaii, three county agencies, and three organizations submitted testimony in opposition. One organization offered comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon further consideration, your Committee has amended this measure by changing all dollar amounts to unspecified amounts to promote additional 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. 2695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2695, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Chun Oakland). Noes, none. Excused, 3 (Fukunaga, Hee, Tokuda).

**SCRep. 2342 Ways and Means on S.B. No. 2001**

The purpose of this measure is to establish a waiver program to exempt a taxpayer's gambling winnings from state income tax.

Specifically, this measure exempts a taxpayer from reporting gambling winnings for a five-day period upon payment of a \$10 fee. Each non-transferable written waiver must be obtained from the Department of Taxation at least three days before the commencement of the period during which the waiver is in effect. The waiver applies whether or not a taxpayer itemizes tax deductions, and applies to taxable years beginning after December 31, 2010. Finally, this measure requires the Department of Taxation to adopt rules to implement the waiver program, no later than January 1, 2011.

Your Committee received testimony in support of this measure from the Department of Taxation. The Tax Foundation of Hawaii and one individual offered comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption applies only to gambling winnings legally acquired outside the State;
- (2) Providing that the waiver fee must be paid at least twenty-four hours before the commencement of the period during which the waiver is in effect; and
- (3) Providing that no exemption waiver shall be issued until the Department of Taxation adopts rules;
- (4) Changing the \$10 fee for a single waiver to an unspecified amount; and
- (5) 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 S.B. No. 2001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2001, 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, 5 (English, Fukunaga, Hee, Hemmings, Tokuda).

**SCRep. 2343 Ways and Means on S.B. No. 2749**

The purpose of this measure is to clarify that refundable income tax credits must be claimed first, followed by nonrefundable income tax credits. This measure will apply to tax years beginning on or after January 1, 2010.

Testimony in support of this measure was submitted by the Department of Taxation. Comments were submitted by the Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will help ensure the effective administration and application of Hawaii income tax credits. Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of conformity, 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. 2749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2749, 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, 5 (English, Fukunaga, Hee, Hemmings, Tokuda).

**SCRep. 2344 Ways and Means on S.B. No. 2402**

The purpose of this measure is to clarify the law with respect to comfort letters issued by the Department of Taxation.

Your Committee received comments on the measure from the Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will render the language in the Department of Taxation's comfort ruling provisions grammatically proper.

Upon further consideration, your Committee has amended this measure by making it applicable to taxable years beginning after December 31, 2100, 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. 2402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2402, 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, 5 (English, Fukunaga, Hee, Hemmings, Tokuda).

**SCRep. 2345 (Majority) Ways and Means on S.B. No. 2007**

The purpose of this measure is to clarify the budgetary powers of the legislative and executive branches of government.

Your Committee finds that, although the general principle that "the Legislature appropriates and the Administration allocates" appears reasonable in theory, its present application by the State Administration is inconsistent with the principles of a democratic government. Your Committee believes that the state budgetary process requires corrective modification to maintain the constitutional balance between the Legislature and the Administration.

Specifically, your Committee finds that legislative appropriations made in the past to a variety of programs, services, and capital needs were either not released by the Administration or transferred to finance other programs of the Administration's choosing. This ability to fund programs without legislative authorization not only violates the integrity of the democratic process, but also subjugates and ignores the thousands of organizations and individuals that participate in the legislative process.

While the Administration should have adequate discretion to restrict funds in certain emergency situations, this discretion should not allow the Administration to dictate a legislative agenda from a distinct and separate branch of state government.

This measure corrects this imbalance of budgetary power between the legislative and executive branches by recognizing the distinction between the two branches of government and by protecting the Legislature's right and duty to fund specific programs and services.

Your Committee received testimony in support of the measure from Child and Family Service. Testimony in opposition was received from the Office of the Governor and the Department of Budget and Finance. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has amended the measure to:

- (1) Provide that the Administration may act contrary to legislative intent only pursuant to a declaration of emergency by the Governor; and
- (2) 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. 2007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2007, 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, 3 (Fukunaga, Hee, Tokuda).

**SCRep. 2346 Ways and Means on S.B. No. 2173**

The purpose of this measure is to authorize the issuance of general obligation bonds to finance various state projects.

Testimony in support of this measure was submitted by one state agency.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure authorizes the issuance of general obligation bonds for the purpose of financing project appropriations. Your Committee further finds that issuance of the bonds authorized under this measure will not cause the State's constitutional debt limit to be exceeded.

Your Committee has amended the measure by:

- (1) Clarifying that the appropriation measures referenced throughout this measure are "Supplemental" Appropriations Acts specifically identifying them as:
  - (A) Supplemental Appropriations Act of 2010 as introduced House Bill No. 2200; and
  - (B) Judiciary Supplemental Appropriations Act of 2010 as introduced House Bill No. 2000;
- (2) Conforming the text in the measure citing a part of the Hawaii Constitution with the printed version of the Hawaii Constitution; 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 S.B. No. 2173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2173, 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, 3 (Fukunaga, Hee, Tokuda).

**SCRep. 2347 Ways and Means on S.B. No. 2401**

The purpose of this measure is to clarify the role of the director of finance with respect to maintaining books and records.

Your Committee finds that the Director of Finance's role in maintaining records of the transactions and business of the department of finance needs clarification and that further discussion on this matter would be beneficial.

Accordingly, your Committee amended this measure by changing the effective date to January 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. 2401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2401, 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, 3 (Fukunaga, Hee, Tokuda).

**SCRep. 2348 Ways and Means on S.B. No. 2400**

The purpose of this measure is to clarify the language in section 37-46, Hawaii Revised Statutes, relating to transfers of non-general funds to the general fund.

Your Committee finds that further clarification may be necessary on this measure.

Accordingly, your Committee amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2400, 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, 3 (Fukunaga, Hee, Tokuda).

**SCRep. 2349 Ways and Means on S.B. No. 2268**

The purpose of this measure is to include special funds in the State Auditor's review of revolving and trust funds.

Your Committee received testimony in support of this measure from a state agency, a private organization, and a concerned citizen. A private organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the state operating budget contains numerous special funds dedicated for specific purposes. Your Committee believes that the proposed measure will better ensure that existing special funds continue to:

- (1) Serve the particular purpose for which the fund was originally established;
- (2) Reflect a clear link between the benefit sought and charges made upon the users or beneficiaries of the program;
- (3) Provide an appropriate financing mechanism for the applicable program or operation; and
- (4) Demonstrate the capacity to be financially self-sustaining.

Your Committee has amended this measure by clarifying the beginning period of the respective review cycles for the special 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. 2268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2268, 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, 3 (Fukunaga, Hee, Tokuda).

**SCRep. 2350 Ways and Means on S.B. No. 2825**

The purpose of this measure is to clarify that the five-year maturity limitation for short-term investments of state moneys also applies to the underlying securities of those investments.

Testimony in opposition to this measure was submitted by one state agency.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a need to clarify the legislative intent to limit short-term investments of state moneys to those that will mature, together with the underlying securities of those investments, not more than five years from the date of the investment. This measure serves that purpose.

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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2825, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2825, 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, 3 (Fukunaga, Hee, Tokuda).

**SCRep. 2351 Ways and Means on S.B. No. 2866**

The purpose of this measure is to require an applicant for a special purpose revenue bond to apply for a pre-authorization certification from the Department of Budget and Finance three months prior to the legislative session in which the applicant seeks the bond authorization.

Your Committee received testimony in opposition to the measure from the Department of Budget and Finance and Hawaii Pacific Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will codify and strengthen the Department of Budget and Finance's current administrative practice of meeting with an applicant to provide an indication as to whether the applicant is eligible for special purpose revenue bond financing, including a preliminary indication as to whether the applicant meets the responsible party requirement.

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. 2866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2866, 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, 3 (Fukunaga, Hee, Tokuda).

**SCRep. 2352 (Joint) Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2520**

The purpose of this measure is to authorize native Hawaiian lessees of Hawaiian homestead land to sublease a portion of their land to renewable energy producers.

Testimony in support of this measure was submitted by one organization and one individual. Two state agencies submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Many lessees of Hawaiian homestead land have expressed an interest in using their leased land for renewable energy generation. Wind energy, for example, is consistent with agricultural uses of land and can provide economic benefits to the lessees. The Department of Hawaiian Home Lands acknowledges that homestead farmers have inquired about pursuing additional revenue through sublease agreements for renewable energy projects. Your Committees find that this measure can serve two important purposes: helping Hawaii meet its Clean Energy Initiative goal of seventy per cent renewable energy by 2030 and providing an opportunity for homesteaders to earn additional revenue.

Your Committees have amended this measure by adopting the recommendation of the Department of Hawaiian Home Lands to require any sublessee, in addition to indemnifying the lessee, Department, and State, to also procure sufficient insurance to defend against any claims arising out of or resulting from activities carried out on subleased land.

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. 2520, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2520, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Hemmings, Hooser, Ihara, Tokuda).

**SCRep. 2353 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Health on S.B. No. 2771**

The purpose of this measure is to provide a mechanism for the future consolidation of land ownership and management of Kalawao County.

Specifically, when there is no longer any person receiving care for Hansen's disease living in Kalaupapa, this measure:

- (1) Transfers ownership and management of Kalawao County from the Department of Health and the Department of Land and Natural Resources to the Department of Hawaiian Home Lands;
- (2) Authorizes the Department of Hawaiian Home Lands to accept the transfer, provided that the Department of Hawaiian Home Lands transfers that land to the native Hawaiian sovereign entity upon its recognition; and
- (3) Prohibits Maui County from applying its zoning authority in Kalawao County.

Three state agencies submitted comments on this measure. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees recognize that the National Park Service has undertaken a planning process involving the Kalaupapa residents for a future management plan of the Kalaupapa National Historical Park. Your Committees further recognize that the Attorney General is concerned about the effect this measure may have on existing cooperative agreements between the Department of Transportation, the Department of Health, the Department of Land and Natural Resources, and the Department of Hawaiian Home Lands, and the National Park Service. However, your Committees find that a mechanism for future consolidation may ease relations between the State and the National Park Service, by consolidating the number of agencies that the National Park Service must enter into agreements with. Additionally, the varying interests of Kalawao County may be better served by having consolidated leadership for the entire area. Your Committees hope that the Attorney General can provide more specific guidance regarding the effect of this measure on existing cooperative agreements, and remind interested stakeholders that the transfer provisions of this measure will not take effect unless there is no longer any person receiving care for Hansen's disease living in Kalaupapa. Thus, your Committees believe that this measure would not disrupt or interfere with the current status of Kalaupapa.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2050 to facilitate further discussion; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

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. 2771, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2771, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8; Ayes with Reservations (Espero). Noes, none. Excused, 4 (Baker, Hemmings, Takamine, Tokuda).

**SCRep. 2354 Commerce and Consumer Protection on S.B. No. 2325**

The purpose of this measure is to require licensed tradespersons who perform electrical or plumbing work to visibly display their license on their person while at a job site.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, the Hawaii State AFL-CIO, the Hawaii Laborer's Union, the Electrical Contractors Association of Hawaii, the Hawaii Electricians Training Fund, and the Hawaii Building and Construction Trades Council. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will facilitate enforcement of licensing statutes by allowing licensed tradespersons to be immediately identifiable at construction job sites. Your Committee finds that this measure serves the interest of public safety by making it immediately apparent when unlicensed persons who have not met government and trade standards and qualifications attempt to pose as licensed individuals. Your Committee notes that the current form of license issued by the Department of Commerce and Consumer Affairs, a laminated card of a size that fits into a shirt pocket, is easily convertible to a wearable badge that would satisfy the requirements of this measure.

Your Committee has amended this measure by:

- (1) Specifying that the license displayed pursuant to this measure shall be issued by the Department of Commerce and Consumer Affairs;
- (2) Specifying that individuals not wearing a license at the time of a site inspection shall not be counted as having a license;

- (3) Including elevator mechanics in the requirements of this measure; and
- (4) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2325, 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 (Sakamoto).

**SCRep. 2355 Commerce and Consumer Protection on S.B. No. 2399**

The purpose of this measure is to protect athletes by regulating amateur mixed martial arts competitions.

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 was received from the Hawaii Association of Mixed Martial Arts. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that protection of athletes is of paramount importance in this measure. Your Committee finds that unscrupulous promoters are currently able to exploit an exception in the law requiring licensure and regulation of professional mixed martial arts competitions by claiming to conduct amateur events. Your Committee further finds that this allows a promoter to avoid the promoter's responsibility to provide emergency medical care, insurance, and other protections to contestants. Your Committee notes that under this measure, true amateur events will not be subject to the licensing requirements for physicians, referees, judges, managers, seconds, or contestants that are imposed on professional events. Rather, amateur events will merely be required to obtain permits and to ensure that adequate safety measures are in place to protect athletes and the public. Finally, your Committee notes that regulation of mixed martial arts contests was originally enacted in response to a pattern of severe injuries in unregulated contests.

Your Committee has amended this measure by making nonsubstantive technical changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2399, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 2356 Commerce and Consumer Protection on S.B. No. 2700**

The purpose of this measure is to allow the Board of Dental Examiners the authority to adopt a national dental licensure examination for use in this State.

Your Committee received testimony in support of this measure from the Board of Dental Examiners. Testimony in opposition to this measure was received from the Hawaii Dental Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current law requiring passage of the American Board of Dental Examiners (ADEX) examination for licensure as a dentist in the State was originally enacted to allow Hawaii to participate in a standardized national examination process. However, your Committee also finds that since the ADEX examination was initially adopted, limiting the approved examination to only the ADEX examination has created many difficulties in accessing and administering the examination. Your Committee further finds that allowing for passage of either the ADEX or the Central Regional Dental Testing Services (CRDTS) national examinations will increase access to the licensure process and will allow more dentists whose competence in the profession has been certified to practice within the State, thereby increasing access to dental services for Hawaii residents. Finally, your Committee urges the Board of Dental Examiners and the Hawaii Dental Association to work together toward the common goal of increasing access to high-quality dental care in this State.

Your Committee has amended this measure by:

- (1) Specifying that an applicant may pass either the ADEX or CRDTS dental examinations in order to qualify for licensure in this State; and
- (2) Changing its effective date to July 1, 2050 to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2700, 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 (Green, Hemmings, Ige).

**SCRep. 2357 Commerce and Consumer Protection on S.B. No. 2701**

The purpose of this measure is to update the laws regulating prepaid legal service plans.

Your Committee received testimony on this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will strengthen the laws regulating prepaid legal plans and will give the Department of Commerce and Consumer Affairs more robust enforcement and regulatory authority over these plans. Your Committee finds that the

current weak regulation of prepaid legal plans has created an environment where it is possible for unscrupulous providers to take advantage of unwary consumers, especially seniors. Your Committee notes that the Department of Commerce and Consumer Affairs has reported a recent increase in complaints regarding prepaid legal plans and predicts a low rate of plan compliance with state law. Your Committee finds that this measure is necessary to effectively protect Hawaii consumers.

Your Committee has amended this measure by making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2701, 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 (Sakamoto).

**SCRep. 2358 Commerce and Consumer Protection on S.B. No. 2788**

The purpose of this measure is to grant the Director of Commerce and Consumer Affairs the authority to review a cable franchise agreement every five years if the Director determines that it is necessary.

Your Committee received testimony with comments on this measure from the Director of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Director of Commerce and Consumer Affairs to respond quickly to changes in the marketplace and developments in technology. Your Committee notes that it is not the intention of this measure to shorten the term of franchise agreements. Rather, the aim of this measure is to ensure that cable franchise agreements remain current and relevant in relation to the regulatory and technological environment.

Your Committee has amended this measure by:

- (1) Clarifying that the Director may require a franchise operator to review its own operations and develop a technology upgrade plan;
- (2) Specifying that the Director may require a franchise operator to upgrade its cable system or take other appropriate action, pursuant to the results of the operator's review; and
- (3) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2788, 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 (Green, Hemmings, Ige).

**SCRep. 2359 Commerce and Consumer Protection on S.B. No. 2921**

The purpose of this measure is to require a Hawaii licensure to act as an escrow depository as to property located in this State.

Your Committee received testimony in support of the measure with amendments from Title Guaranty Escrow Services, Inc. Comments on this measure were received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will make all escrow entities handling Hawaii real estate subject to Hawaii regulations. Your Committee further finds that this will create uniformity and a clear course of action for Hawaii residents seeking assistance with or redress from an escrow company.

Your Committee has amended this measure by:

- (1) Removing language deeming failure to comply with escrow depository licensing requirements an unlawful and deceptive trade practice; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2921, 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 (Hemmings, Ige).

**SCRep. 2360 (Joint) Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2646**

The purpose of this measure is to designate the area from the Ala Wai to Waikiki War Memorial Natatorium and the area from Ali'i Beach in Haleiwa to Sunset Beach on Oahu as Hawaii surfing reserves.

Testimony in support of this measure was submitted by the Surfers' Environmental Alliance; Surfrider Foundation; International Surfing Association; Save the Waves Coalition; Wildcoast; World Surfing Reserves; National Surfing Reserves Australia; Lennox National Surfing Reserve Assoc.; Angourie Residents & Taxpayers Association; Art Brewer Photography; and five individuals. Comments were submitted by the Department of Land and Natural Resources and Save Our Surf.



Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that, like Hawaii, Australia has a strong surfing community inspired by a 1915 surfing demonstration visit by Duke Kahanamoku. Today, National Surfing Reserves in Australia serve to meet the needs of the public to acknowledge through a symbolic enshrinement, the integral value of the rich cultural, environmental, sporting, and historical importance surfing embodies. Your Committees understand that in Australia this program is supported by the federal and New South Wales governments, and that next month Australia will enshrine its tenth National Surfing Reserve after a highly successful five-year community program.

Your Committees have considered a number of recommendations for amendments to this measure, several of which reflected concerns regarding recreational uses that the reserve designation might impinge upon. Your Committees view the proposed designation of reserve status for Waikiki and the North Shore as being primarily commemorative in nature; and believe that the minimal role the Department of Land and Natural Resources will play serves to underscore that type of commemorative recognition.

Your Committees have amended this measure accordingly, by:

- (1) Clarifying that the Department of Land and Natural Resources will assist in placing appropriate signs or markers provided by private organization or individuals, which are designed to commemorate and identify the respective surfing reserves;
- (2) Amending the effective date to July 1, 2040, for the purpose of encouraging further discussion; and
- (3) Making technical, nonsubstantive 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 Technology 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. 2646, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2646, 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 (Baker, Bunda, Takamine, Tokuda).

**SCRep. 2361 (Joint) Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2487**

The purpose of this measure is to ensure the qualifications of the State Historic Preservation Officer by:

- (1) Requiring that the State Historic Preservation Officer be appointed from a list of at least three nominees submitted by the Board of Land and Natural Resources;
- (2) Requiring that the list of nominees be developed in consultation with the appropriate Hawaii and historic preservation organizations; and
- (3) Establishing specific qualifications of the State Historic Preservation Officer.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Historic Hawai'i Foundation, Society for Hawaiian Archaeology, Kapi'olani Park Advisory Council, and three individuals. Testimony in opposition was submitted by the Department of Land and Natural Resources.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the Governor's appointment of a State Historic Preservation Officer is required of any state wanting to participate in the nationwide, federal historic preservation program and to receive annual grant support from the Historic Preservation Fund, which is administered by the National Park Service. Under federal and state law, the State Historic Preservation Officer is responsible for ensuring that the State's comprehensive historic preservation program meets federal program requirements and that the State Historic Preservation Office is staffed with qualified professionals.

Your Committees further find that when the State of Hawaii chose to participate in the federal historic preservation program in 1976 and enacted legislation to enable Hawaii's participation, the statute for the State Historic Preservation Officer required only "professional competence and experience in the field of historic preservation". The amendments proposed in this measure would expand and strengthen these qualifications.

Your Committees understand that some states, like Hawaii, do not specify that the State Historic Preservation Officer shall be a qualified historic preservation professional, but the historic preservation staff must include qualified professionals. Kansas, like a number of other states, authorizes the State Historic Preservation Office functions to be handled by a qualified nonprofit, the Kansas State Historical Society.

Your Committees note that the United States Secretary of the Interior has established standards for historic preservation professionals that define the minimum education and experience required to perform identification, evaluation, registration, and treatment activities in the historic preservation professions of history, archaeology, architecture, and architectural history, or closely related fields. Your Committees are in agreement that adopting these standards would strengthen the role of the State Historic Preservation Officer and may assist in resolving troubling issues that have plagued the Historic Preservation Division in recent years.

Your Committees have amended this measure by:

- (1) Clarifying that the Board of Land and Natural Resources shall consult with appropriate Native Hawaiian organizations;
- (2) Specifying that nominees for the State Historic Preservation Officer shall meet the United States Secretary of the Interior standards for historic preservation professionals, and include a closely related field such as Hawaiian studies;
- (3) Amending the effective date to July 1, 2040, for the purpose of encouraging further discussion; and



- (4) Making a technical amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology 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. 2487, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2487, 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 (Baker, Bunda, Takamine, Tokuda).

**SCRep. 2362 (Joint) Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2019**

The purpose of this measure is to delete the requirement that permits for commercial thrill craft and parasailing activities:

- (1) May not exceed twenty years; and
- (2) Upon expiration of the twenty-year period, may be offered for public auction.

Testimony in support of this measure was submitted by the Ocean Tourism Coalition; Hawaiian Parasail, Inc.; X-Treme Parasail, Inc.; Diamond Head Parasail, Inc.; Diamond Head Parasail & Watersports, Inc.; Aloha Ocean Sports; and five individuals. Three individuals submitted testimony in opposition. The Department of Land and Natural Resources submitted comments.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that commercial thrill craft and parasail operators that have been issued a commercial use permit by the Department of Land and Natural Resources Division of Boating and Ocean Recreation are the only commercial permittees issued five-year permits, and that may have their commercial use permits offered at public auction after twenty years. All other commercial use permits are issued on a year-to-year basis and are renewed annually as long as the permittee has remained in compliance with all federal, state, and county laws.

Your Committees have heard that the current public auction requirement is a hardship for owners of these permits, making long-range planning difficult and limiting access to financial resources, such as investors and loans.

Your Committees have also heard community concerns regarding the safety of thrill craft and parasailing operations and their impact in specific ocean waters with issues of competing usage. Your Committees would point out that this measure addresses only the length of the permit and the disposal of the permit after twenty years. However, your Committees are supportive of community involvement in the Department's determination regarding renewal of a thrill craft or parasailing permit.

Your Committees have amended this measure to address these issues by:

- (1) Changing the five-year permit period to a one-year permit with an annual renewal;
- (2) Adding as a condition for renewal that the permit holder be in compliance with any conditions required by the Department of Land and Natural Resources in response to community or other complaints filed with the Department; and
- (3) Amending the effective date to July 1, 2040, for the purpose of encouraging further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology 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. 2019, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2019, 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 (Baker, Bunda, Takamine, Tokuda).

**SCRep. 2363 (Joint/Majority) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 2358**

The purpose of this measure is to incentivize the purchase of hybrid and other energy efficient vehicles to reduce greenhouse gas emissions in the State.

Specifically, this measure provides that high occupancy vehicle lanes may be used by hybrid and energy-efficient vehicles including plug-in hybrid electric vehicles, regardless of the number of occupants.

Testimony in support was submitted by two organizations and one state agency submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Hawaii's energy security demands that the amount of fossil fuel imported and consumed in the State be reduced significantly. With little or no cost to the State, this measure creates a subtle enticement that will incentivize the purchase of an energy efficient vehicle. A similar measure was adopted in California, where many people who recently purchased hybrid vehicles cite the ability to use the high occupancy vehicle lane as one of the reasons for their purchase. However, your Committees recognize the Department of Transportation's concerns that permitting too many vehicles in the high occupancy vehicle lanes may cause the lanes to become congested thereby diminishing the incentive for energy-efficient vehicles and the original purpose of encouraging ridesharing. Your Committees find that electric vehicles are the future for Hawaii drivers, and hope that this measure can provide an incentive for potential purchasers without congesting the high occupancy vehicle lanes.

Your Committees have amended this measure by:

- (1) Narrowing the types of energy efficient vehicles that may use the high occupancy vehicle lanes regardless of the number of occupants to electric vehicles capable of driving at least fifty-five miles per hour; and
- (2) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2358, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2358, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7; Ayes with Reservations (Ihara). Noes, 1 (Slom). Excused, 2 (Espero, Kokubun).

**SCRep. 2364 (Joint) Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2957**

The purpose of this measure is to provide an exemption from environmental assessment requirements for projects that protect, preserve, and enhance the environment, land, or natural resources, under certain conditions and require the Environmental Council to make a determination of whether the exemption should be applicable after a public hearing.

Testimony in support of this measure was submitted by one organization, and one organization supports the intent. One organization submitted comments. Testimony in opposition was submitted by one state agency, one county agency, and five organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that conservation work that protects, preserves, or enhances the environment is often required to conduct the same environmental assessments as projects that have negative impacts on the environment. The purpose of this measure in this regard is to distinguish between constructing residential homes and engaging in conservation work to protect native forests. Environmental assessments can take six to twelve months, and cost approximately \$100,000 to \$200,000, per project. Recently, the Department of Land and Natural Resources has taken note of this concern and proposed significant changes to administrative rules governing conservation work on private lands in conservation districts.

Your Committees, similarly, hope to ease the regulatory burden on beneficial conservation projects for invasive species control and predator fencing, however, your Committees are concerned that the measure as written may impose additional burdens. Thus, your Committees have amended this measure by adopting the recommendations of The Nature Conservancy to:

- (1) Clarify the kinds of projects that may be eligible for the exemption to actions that protect, preserve, or enhance native species, native habitat, or native ecosystem functions, including:
  - (A) Invasive species control using approved methods in accordance with state and federal law; and
  - (B) The installation of barriers to control non-native animals and of dip tanks, helicopter landing zones, or field camps for fire control;
- (2) Remove the public hearing requirement and replace it with a public notification process;
- (3) Change the determining authority from the Environmental Council to the Department of Land and Natural Resources; and
- (4) Remove the requirement that for any exemption granted the applicant must submit a report documenting the implementation of the action.

Your Committees have also amended this measure by changing its effective date to July 1, 2050 to ensure further discussion of these issues.

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. 2957, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2957, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Hemmings, Hooser, Ihara, Tokuda).

**SCRep. 2365 Education and Housing on S.B. No. 2108**

The purpose of this measure is to increase from one to two the minimum number of members on the Board of Directors of the Hawaii Public Housing Authority who are directly assisted by the Authority under the federal low-rent public housing or federal Section 8 Tenant-Based Housing Assistance payments program.

Testimony in support of this measure was submitted by one individual. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that residents of Hawaii Public Housing Authority housing projects provide a valuable and unique perspective to the Board of Directors of the Authority. This measure ensures that their views are appropriately represented on the Board.

Your Committee has amended this measure by expanding the criteria that the two public members of the Board of Directors of the Hawaii Public Housing Authority be directly assisted by the Authority under the federal low-rent public housing or Section 8 Tenant-Based Housing Assistance program to also include those who have been formerly assisted by the Authority under those federal programs.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2108, 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 (Hemmings, Tsutsui).

**SCRep. 2366 Education and Housing on S.B. No. 2120**

The purpose of this measure is to require the Department of Education to establish alternative routes to certification for school principals and vice-principals and to repeal the Department's authority to waive, on a case-by-case basis, certain teacher certification and school-level experience requirements for vice-principal candidates.

Testimony in support of this measure was submitted by one state agency. Comments were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that determining alternative routes to certification furthers the Department of Education's efforts to meet requirements to receive funds under the American Recovery and Reinvestment Act of 2009 and implement reforms outlined in its application for federal Race to the Top funds. Your Committee notes that the intent of this measure in requiring the Department to establish alternative routes to certification is for the certification requirements to align with the Profile of the Effective School Leader document, which sets standards for principals and vice-principals in the Department.

Your Committee has amended this measure by 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2120, 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 (Hemmings, Tsutsui).

**SCRep. 2367 Education and Housing on S.B. No. 2346**

The purpose of this measure is to authorize the Hawaii Teacher Standards Board to delegate certain duties to its Executive Director or other designee.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Act 2, Special Session Laws of Hawaii 2009, required the Dean of the University of Hawaii at Manoa College of Education to convene a working group to review and make recommendations to address, among other things, licensing rules and their impact on teacher workforce needs in Hawaii. The working group found that there is an inconvenient delay in the issuance of teacher licenses because the Hawaii Teacher Standards Board has to meet to approve the issuance. Because of the delay, some teachers are not able to obtain teaching licenses until after certain hiring deadlines, which negatively impacts the teacher workforce in the State. This measure reduces the delay by authorizing the Hawaii Teacher Standards Board to delegate certain duties to its Executive Director.

However, your Committee finds that the delegation of powers and duties through the adoption of rules, as proposed by this measure, could also result in delays. Your Committee finds that delegation through a majority vote of the members of the Hawaii Teacher Standards Board would be more consistent with the intent of this measure and has amended this measure accordingly as follows:

- (1) By authorizing the Hawaii Teacher Standards Board to delegate certain powers and duties to its Executive Director through the concurrence of a majority of the members to which the Board is entitled;
- (2) By adding the granting, denying, and conditioning of certain teacher license renewals and reinstatements as additional functions that the Board shall not delegate to its Executive Director; and
- (3) By 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2346, 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 (Hemmings, Tsutsui).

**SCRep. 2368 (Joint) Human Services and Education and Housing on S.B. No. 2473**

The purpose of this measure is to allow grandchildren of elderly housing project residents to temporarily reside with the residents or be transferred to family housing under certain family crisis situations and to afford residents evicted or transferred to family housing first priority back into elderly housing when the crisis has abated.

Testimony in support of this measure was submitted by the Hawaii Public Housing Authority, the Hawaii Family Forum, the Office of Hawaiian Affairs, and six individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that there is a large population of grandparents raising their grandchildren in Hawaii and they are faced with unique problems. Many of these grandparents living in elderly housing are faced with difficult decision when their own children are in a crisis situation and their grandchildren are left without parents and without alternatives. Your Committees find that it is important for

these children to have as much support as possible during these very difficult times, and that allowing them to live with their grandparents not only saves the State money, but also allows for a more stable and comfortable living environment for the children. Your Committees further find that elders who have been evicted from elderly housing as a result of a family crisis should be given first priority to move back into elderly housing in their own geographical area should the crisis abate and that federal family housing could be used as an alternative to state family housing.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that movements between elderly and family housing should be in their geographical area (on the same island);
- (2) Elders who take on the responsibility of housing these grandchildren should be afforded first priority back into elderly housing in their geographical area;
- (3) Federal family housing can be used as an alternative to State family housing in the event federal housing becomes available.

As affirmed by the records of votes of the members of your Committees on Human Services and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2473, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2473, 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 (Hemmings, Tsutsui).

**SCRep. 2369 Higher Education on S.B. No. 2803**

The purpose of this measure is to:

- (1) Establish a working group within the University of Hawaii Regents Candidate Advisory Council to ensure student involvement in the recruitment and evaluation of student member candidates; and
- (2) Shorten the time during which an individual is ineligible for appointment to the Regents Candidate Advisory Council due to past service on the Executive Council of the University of Hawaii Student Caucus.

Testimony in support of this measure was submitted by the University of Hawaii Regents Candidate Advisory Council and two individuals. The University of Hawaii Professional Assembly submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure encourages greater student representation on the Regents Candidate Advisory Council in two ways. First, this measure incorporates the unique perspective of University of Hawaii students and employees directly involved with students into the Council's recruitment and screening process for the student member of the Board of Regents. Secondly, this measure shortens the time during which an individual is ineligible for appointment to the Regents Candidate Advisory Council due to past service on the Executive Council of the University of Hawaii Student Caucus.

Your Committee agrees with the intent of the proposed amendments by the Regents Candidate Advisory Council and has amended this measure as follows:

- (1) By changing references to the working group established by this measure from "working group" to "student advisory group"; and
- (2) By revising the duties of the Student Advisory Group to entail working with and assisting the Council with recruitment and making recommendations to the Council on the qualifications of the candidates applying for the student member position.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2803, 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. 2370 Judiciary and Government Operations on S.B. No. 2564**

The purpose of this measure is to define "confidential witness" and clarify the allowable uses of factual matters obtained by the Hawaii Civil Rights Commission during an investigation.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the clarifications provided by this measure will reduce the Commission's expenditure of costly resources and staff time to enforce subpoenas and allow the Commission to use factual evidence obtained through investigations as evidence in addressing discrimination complaints in a timely manner.

Your Committee has amended this measure by 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2564, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2564, 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 (Bunda, Takamine).

**SCRep. 2371 Judiciary and Government Operations on S.B. No. 2183**

The purpose of this measure is to:

- (1) Allow a temporary restraining order to remain in effect for ninety days or until service of a protective order, whichever occurs first; and
- (2) Provide that a protective order orally stated by the court on the record shall be effective as of service upon the respondent.

Testimony in support of the measure was submitted by three county police departments, one private organization, and one individual. Testimony in support, with comments, was submitted by one individual. Testimony in opposition was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that presently, when a petitioner has petitioned the court for a temporary restraining order and it has been properly served, the order is valid for up to ninety days. If the petitioner seeks a longer-term protective order and the respondent does not attend the Order to Show Cause hearing, the judge may grant a default judgment to the petitioner and issue the protective order. However, the protective order is not in effect until it can be served on the respondent. In such cases, there is a gap in protection for the petitioner. Your Committee finds that this measure will allow a temporary restraining order to remain in effect for up to ninety days or until service of a protective order is made, whichever occurs first.

Your Committee notes a concern in testimony that the amendments proposed in this measure may allow a temporary restraining order to stay in place indefinitely if the family court does not issue a protective order. However, your Committee believes that the language of section 586-5(a), Hawaii Revised Statutes, as amended by this measure, is clear that the longest a temporary restraining order may be effective is ninety days.

Nevertheless, your Committee recognizes that the language of section 586-5(a), Hawaii Revised Statutes, as amended by this measure, may create other unintended gaps in protection. Your Committee believes that further discussion should address and resolve this possibility.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure further discussion regarding other unintended gaps in protection that may be created under section 586-5(a), as amended; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2183, 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 (Slom). Noes, none. Excused, 1 (Bunda).

**SCRep. 2372 Judiciary and Government Operations on S.B. No. 2151**

The purpose of this measure is to:

- (1) Expand the category of cases directly appealable to the Hawaii Supreme Court;
- (2) Make discretionary the transfer to the Supreme Court of appeals involving questions of imperative or fundamental public importance; and
- (3) Repeal the sunset of Act 202, Session Laws of Hawaii 2004, which restructured the appellate courts, making the Supreme Court a certiorari court.

Testimony in opposition to the measure was submitted by one state agency. Comments regarding the measure were submitted by the Judiciary. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, by expanding the category of cases directly appealable to the Supreme Court, direct appeals will resolve the litigation of priority and public impact cases more quickly, will relieve the Intermediate Court of Appeals (ICA) of some part of its current caseload, and will eliminate likely applications requesting transfer of these cases from the ICA to the Supreme Court. Your Committee notes that testimony reflected concerns about the measure's amendment of the provision regarding direct appeal for cases involving a sentence of life imprisonment without the possibility of parole. Given the severity of the potential punishment, your Committee believes that a thorough review should be available, by allowing a litigant to seek review in the ICA or the Supreme Court, or both.

Your Committee has amended this measure by:

- (1) Making revisions suggested by the Judiciary, which include deleting the proposed amendments to section 602-58, Hawaii Revised Statutes, that would have:
  - (A) Made cases involving a sentence of life imprisonment without the possibility of parole directly appealable to the Supreme Court, rather than mandatorily transferable to the Supreme Court upon application; and
  - (B) Made the transferability of cases involving questions of imperative or fundamental public importance to the Supreme Court upon application discretionary, rather than mandatorily transferable to the Supreme Court upon application; and
- (2) Making other technical, nonsubstantive amendments for purposes of style.



As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2151, 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 (Bunda).

**SCRep. 2373 (Joint) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2936**

The purpose of this measure is to allow the state inspection of shipping containers by the Department of Defense and Department of Transportation for the purpose of detecting and confiscating explosives.

Your Committees received testimony in support of this measure from one private entity, one community entity, and four individuals. Comments were received from one government entity. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the inspection of shipping containers is a major element of protecting against terrorism. Particularly with the State's isolation and the numerous containers arriving by ships, it is imperative that the State take the initiative to require inspection of shipping containers. Your Committees further find that the only agencies other than federal agencies with existing statutory authority to open and inspect shipping containers is the Department of Agriculture to control invasive species and the county fire departments for fireworks inspections.

Your Committees have amended this measure by:

- (1) Extending the same breadth of authority to conduct shipping container inspections to the Department of Agriculture;
- (2) Designating the Department of Defense as the State's lead agency to coordinate inspections of containers among state and county agencies;
- (3) Clarifying the purpose section to describe current efforts among shippers to voluntarily inspect their own containers; and
- (4) Changing the effective date to July 1, 2525, to continue the discussions on this matter.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2936, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2936, 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, none.

**SCRep. 2374 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2547**

The purpose of this measure is to require small boat harbor commercial vessel permittees who, in the course of providing an excursion between state boating facilities, disembark fare-paying passengers with the expectation that they will enter upon any public or quasi-public real property during the course of their excursion, to comply with all of the rules and regulations applicable to these areas.

Testimony in support of this measure was submitted by two organizations and fourteen individuals. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure is intended to address situations such as the overcrowding at Hulopoe Beach Park on Lanai, which is a parcel of land dedicated in perpetuity by Castle & Cook Resorts, LLC for park and recreational purposes. Hulopoe Beach Park has rules and regulations prohibiting the commercial use of the park without a permit. However, in recent years, Maui-based tour boat operators without permits have been bringing customers to Lanai and encouraging them to use the park and its amenities. Hulopoe Beach Park is Lanai's only publicly-accessible, facility-friendly beach, and is designated as a Marine Life Conservation District. Residents of Lanai feel the park is overcrowded, its amenities abused by commercial tour customers, and the park rules ignored by commercial tour operators.

Your Committee understands the residents' frustrations, but believes that the Beach Park rules should be enforced by the property owner. The Hulopoe Beach Park is not a publicly owned parcel, and thus not subject to the enforcement purview of the Department of Land and Natural Resources. To expand the purview of the Department of Land and Natural Resources enforcement authority to include quasi-public land would vastly increase the Department's responsibilities. Your Committee recognizes that recent court decisions may limit Castle & Cook Resorts' ability to exclude members of the public from using the Beach Park. However, your Committee hopes that Castle & Cook Resorts will continue to use its best efforts to find a solution in consultation with commercial tour boat operators.

Your Committee has amended this measure by changing the effective date to July 1, 2050 for the purpose of facilitating 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 S.B. No. 2547, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2547, 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 (Hemmings, Takamine, Tokuda).

**SCRep. 2375 Economic Development and Technology on S.B. No. 2740**



The purpose of this measure is to reflect Saint Damien's recent confirmation of sainthood, and mark May 10 of each year as Saint Damien de Veuster Day in Hawaii.

Testimony in support of this measure was submitted by the Lieutenant Governor, the Diocese of Honolulu, Parents and Children Together, and Saint Damien Boy Scouts.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that on May 10, 1873, Father Jozef Damien de Veuster arrived in Kalaupapa to meet the spiritual needs of those suffering from Hansen's disease and other members of the community. Until his death on April 15, 1889, he served in many different capacities, including doctor, carpenter, legal advocate and grave digger. His legacy lives on and Damien remains a spiritual hero and an icon of love, compassion, courage, humility and humanitarian service.

On October 11, 2009, Father Damien was canonized as Saint Damien by His Holiness Pope Benedict XVI in Rome, and was granted a memorial feast day to be celebrated annually on May 10. Your Committee is strongly supportive of this measure to honor Saint Damien.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2740 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 (Baker, Hee).

**SCRep. 2376 Judiciary and Government Operations on S.B. No. 2149**

The purpose of this measure is to permanently establish the authority of judges of the Intermediate Court of Appeals (ICA) to subpoena witnesses, compel production of evidence, and administer oaths.

Testimony in support of this measure was submitted by the Judiciary. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 148, Session Laws of Hawaii 2008, which is due to be repealed on June 30, 2010, granted the ICA judges the express statutory authority to subpoena and compel the attendance of witnesses, to compel the production of books, papers, documents, or tangible things, and to administer oaths. Notwithstanding the impending repeal of these powers, some statutes that provide for direct appeals to the ICA permit the ICA to receive or require new evidence on appeal, which may require these powers to be exercised by the ICA judges during the course of the proceedings. Accordingly, your Committee finds it important for ICA judges to continue to have clear authority to exercise these powers in order to fully carry out all of their responsibilities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2149 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 2377 Judiciary and Government Operations on S.B. No. 2150**

The purpose of this measure is to permanently establish the jurisdictional responsibilities of the appellate courts.

Testimony in support of the measure was submitted by the Judiciary. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 202, Session Laws of Hawaii 2004, authorized a change in the responsibilities of the appellate courts, essentially making the Hawaii Supreme Court a certiorari court. The resulting effects have been very positive: the Supreme Court has been able to hold oral argument in more of the cases it takes; appeals at the Intermediate Court of Appeals have been decided timely; and the age of pending and decided appeals has been reduced. Your Committee finds that the sunset provision of Act 202 should be repealed and the jurisdictional responsibilities established under Act 202 should be made permanent.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2150 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 2378 (Majority) Labor on S.B. No. 2394**

The purpose of this measure is to:

- (1) Alter the composition of the Board of Trustees of the Deferred Compensation Plan by making the Director of Human Resources Development an ex officio member and not requiring the Director to be the chairperson;
- (2) Increase the number of elected public employees who represent employee interests from three to five; and
- (3) Require that the five public employees be elected, rather than nominated and appointed by the Governor and subject to the advice and consent of the Senate.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that restructuring the administrative structure of the Board of Trustees of the Deferred Compensation Plan will provide employee-beneficiaries with increased decision-making authority over the Deferred Compensation Plan's operations. Your Committee also finds that establishing trustees through an election process will allow the most qualified and desirable candidates to serve on the Board of Trustees.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2394 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, 1 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 2379 Labor on S.B. No. 2050**

The purpose of this measure is to clarify the steps that must be taken to develop a vocational rehabilitation plan under the workers' compensation law.

Specifically, this measure requires a provider to determine if modified or other work for an injured worker with the worker's same employer represents suitable gainful employment under a rehabilitation plan.

Testimony in support of this measure was submitted by one state agency, four private organizations, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that a primary component of an injured worker's rehabilitation plan is to find suitable gainful employment for the injured worker with the worker's same employer. Your Committee also finds that injured workers are returned to work more rapidly with their original employer, especially if placed in a new or modified job position that is consistent with the injured worker's physical or mental limitations.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2050 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 (Hee).

**SCRep. 2380 (Majority) Labor on S.B. No. 2323**

The purpose of this measure is to:

- (1) Prohibit the Department of Labor and Industrial Relations from requiring an individual to register their availability to work via an online form;
- (2) Delete the requirement for an unemployed individual to register for work in order to be eligible to receive unemployment insurance benefits;
- (3) Delete the registration for work requirements for partially unemployed individuals; and
- (4) Delete the definition for "registered for work," or "registration for work," in section 383-1, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by four private organizations. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the existing condition of the Department of Labor and Industrial Relations to require an unemployed individual to post their resume online before being eligible for unemployment insurance benefits creates a privacy risk for the unemployed individual. Your Committee also finds that the posting of a resume online can create an additional, and possibly unfair, burden on those unemployed individuals who speak English as a secondary language, are not computer literate, or have transportation challenges with reaching an employment office in a timely manner.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2323 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. 2381 (Joint) Transportation, International and Intergovernmental Affairs and Energy and Environment on S.B. No. 2758**

The purpose of this measure is to conform Hawaii's motor carrier safety law to Federal Motor Carrier Safety Regulations by making subject to state and county laws and regulations, including safety inspections, vehicles used in transporting material that is found to be hazardous under federal statute and transported in a quantity requiring placarding under federal rules.

Your Committees received testimony in support of this measure from the Department of Transportation. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that presently the State Department of Transportation's Motor Vehicle Safety Office receives federal moneys from the Federal Motor Carrier Safety Administration to fund its Motor Carrier Safety Assistance Program and the New Entrant

Incentive Program. This funding allows the state motor vehicle carrier officers to enforce the Federal Motor Vehicle Carrier Safety Regulations and Hazardous Material Regulations that ultimately provide safer roads for residents and visitors.

The Federal Motor Carrier Safety Administration has found Hawaii's motor carrier safety law to be incompatible with federal law and regulations. This measure addresses that concern and, accordingly, avoids the withholding of federal funding.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental 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. 2758 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Espero, Kokubun).

**SCRep. 2382 (Joint) Labor and Health on S.B. No. 2566**

The purpose of this measure is to clarify that under the State's workers' compensation law, a physician or surgeon may conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendations from a board certified or licensed specialist.

Testimony in support of this measure was submitted by five private organizations. Testimony in opposition of this measure was submitted by two state agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that giving treating physicians the ability to conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendations will promote quicker recoveries for injured workers, thus enabling them to return to work. Your Committees also find that it is recommended that the Department of Labor and Industrial Relations clarify in its administrative rules that the one-time consultation shall be within occupational medical guidelines and the referring physician or surgeon shall have no financial interest in the diagnostic testing, the subspecialty diagnostic evaluation, or the licensed specialist's practice.

As affirmed by the records of votes of the members of your Committees on Labor and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2566 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Baker, Hee, Hemmings).

**SCRep. 2383 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2532**

The purpose of this measure is to incorporate the definitions, guiding principles, and goals of the Hawaii 2050 Sustainability Task Force into the Hawaii State Planning Act, codified as chapter 226, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by five organizations and three individuals. One organization submitted comments, and two individuals submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

During the 2005 Special Session, the Legislature adopted Act 8, to create the Hawaii 2050 Task Force to review the Hawaii State Plan and the State's planning process, and develop the Hawaii 2050 Sustainability Plan. In 2008, the Legislature adopted Act 225, requesting the University of Hawaii at Manoa College of Social Sciences Public Policy Center to review the Hawaii 2050 Sustainability Plan and provide a definitive framework for policy makers including defined data, data sources, and benchmarks for each of the major goals. This measure is one of the recommendations of the Public Policy Center's final report submitted prior to this legislative session.

Your Committee finds that the guiding principles and goals in the Hawaii 2050 Sustainability Plan will help the State balance environmental protection with the need for a vibrant economy. The health of the State's natural resources directly affects our economy and quality of life, providing fresh water, erosion control, and abundant coral reefs that provide food, recreation, and protection from storms.

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. 2532 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2384 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2409**

The purpose of this measure is to require that any conditions on permits issued for the taking of marine life or boating and coastal activities in Marine Life Conservation Districts shall be adopted pursuant to administrative procedures.

Testimony in support of this measure was submitted by one organization. One organization submitted comments, and one state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Companies engaging in operations at Molokini Island are required to have a Marine Life Conservation District permit, according to section 190-4, Hawaii Revised Statutes. The statute authorizes the Department of Land and Natural Resources to impose terms and conditions as deemed necessary for those permits. Recently, the existing permits for the Molokini Island companies expired and new permits with new conditions were imposed. The Molokini Island companies were included in discussions with the Department of Land and Natural Resources for the new conditions, however, shortly before the issuance of the new permits, there was a serious breakdown

of communications. Some of the new conditions imposed were not part of the previous discussions. Several of the companies have experienced contractual hardships due to the new conditions, and face the possibility of future lawsuits for false advertising.

The Molokini Island companies recognize that it is a Marine Life Conservation District, and do not want to see the area damaged in any way. Molokini Island is an attractive destination because of its pristine condition. However, the companies feel that the new conditions were imposed in a swift manner, with no opportunity for feedback or negotiation. This measure would require the Department of Land and Natural Resources to follow administrative procedures, including public hearings, prior to being able to impose any conditions on this type of permit.

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. 2409 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 (Bunda). Noes, none. Excused, 3 (Fukunaga, Takamine, Tokuda).

**SCRep. 2385 (Joint) Commerce and Consumer Protection and Labor on S.B. No. 2597**

The purpose of this measure is to ensure the efficient functioning of the Hawaii Employers' Mutual Insurance Company (HEMIC) by facilitating executive succession and ensuring that HEMIC is subject to the same liability standards as all other workers' compensation insurers.

Your Committees received testimony in support of this measure from the State Insurance Commissioner for the Department of Commerce and Consumer Affairs and Hawaii Employers' Mutual Insurance Company. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the provisions of this measure that separate the titles and functions of President and Chief Executive Officer will allow HEMIC to reallocate the duties of its executive management and allow for a smoother transition of executive leadership without creating any new positions. Your Committees further note that allowing members of HEMIC's Board of Directors to serve more than two nonconsecutive terms will allow HEMIC to retain qualified and experienced Board leadership, which will also assist in ensuring continuity of management during executive transitions.

Your Committees find that the provisions of this measure that clarify that HEMIC's legal duty to its members is identical to that of other workers' compensation insurers are necessary to ensure that HEMIC is able to operate on the same terms as other workers' compensation insurers. Your Committees further find that these clarifying provisions may help HEMIC to avoid costly and unnecessary litigation in the future.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2597 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 (Bunda, Hee, Ige, Ihara, Sakamoto).

**SCRep. 2386 Health on S.B. No. 2779**

The purpose of this measure is to require that, prior to giving informed consent, patients must be informed of the amount of radiation they will be exposed to in the course of x-ray or computed tomography scans and any health risks attendant with such exposure.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, the Hawaii Association of Health Plans, and one individual. Your Committee received testimony in opposition to this measure from the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the dangers of repeated exposure to low level radiation from duplicative and overly-precautionary x-rays and computed tomography scans are serious enough that a patient must be informed of the amount of radiation exposure per treatment and its attendant health risks for informed consent to be valid. Your Committee hopes that this measure will also provoke patients to ask more questions of their x-ray technicians, radiologists, and physicians, thus affording the patient one more safeguard against rare but unfortunately not unheard of fatal or debilitating radiation overdoses.

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. 2779 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 (Baker, Hemmings).

**SCRep. 2387 Commerce and Consumer Protection on S.B. No. 2222**

The purpose of this measure is to update the proxy requirements for planned community associations.

Your Committee received testimony in support of this measure from the Hawai'i State Association of Parliamentarians and one private citizen. Testimony in opposition to this measure was received from the Princeville at Hanalei Community Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will create consistency between the proxy rules governing planned community associations and those governing condominium associations. Your Committee further finds that this measure will provide more flexibility for owners in planned community associations to communicate with each other in advance of association meetings and to assert their

opinions at association meetings. Finally, your Committee respectfully requests that the Real Estate Commission assist in the implementation of this measure by publicizing the new proxy rules on its website.

Your Committee has amended this measure by:

- (1) Adding a new provision to allow solicitation of proxies and distribution of forms through the association's website;
- (2) Providing that the requirements of this Act shall not take effect until January 1, 2011, to allow associations time to adopt the changes made by this measure in time for their next annual meetings; and
- (3) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2222, 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 (Hemmings, Sakamoto).

**SCRep. 2388 (Joint) Health and Public Safety and Military Affairs on S.B. No. 2141**

The purpose of this measure is to address obstacles to patients under this State's medical marijuana law including the shortage of caregivers, difficulty in legally procuring cannabis plants, the insufficient adequate supply limit for regular vaporizer use, and limitations on physician participation.

Your Committees received testimony in support of this measure from the American Civil Liberties Union of Hawai'i, Advocates for Consumer Rights, the Drug Policy Action Group, the Medical Cannabis Working Group, Americans for Safe Access, and nineteen individuals. Testimony in opposition to this measure was received from the Department of Public Safety, the Honolulu Police Department, the Maui Police Department, the Maui Police Department's Vice Division, the Hawai'i Police Department, the Hawaii County Office of the Prosecuting Attorney, the Honolulu Department of the Prosecuting Attorney, and one individual. Testimony in support of the intent of this measure with amendments was submitted by one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees recognize that cannabis fills a need not currently met by the pharmaceutical industry. It provides relief from pain and stimulates the appetite without the dire side effects and dangerous interactions that often accompany traditional pharmaceuticals.

Your Committees find that this measure removes obstacles currently facing medical cannabis users and their caregivers and reflects the limitations of the severely ill. It provides for ten rather than seven plants to allow room for grower error. In addition, more plants will provide enough cannabis at any one time for patients to use vaporizers, butters, tinctures or any other delivery method that may best accommodate the patient's illness. This measure increases the number of qualified patients that a registered caregiver can minister to at one time which will help patients find high-quality caregivers without having to sacrifice their access to medical cannabis. This measure recognizes that severely ill patients have often moved beyond their primary care physician to a battery of specialists and permits any attending doctor to prescribe medical cannabis.

Your Committees further find that this measure is intended to ease the burden on severely ill members of our communities and their caregivers and to treat them with dignity and respect.

Your Committees have amended this measure by:

- (1) Adding a section permitting registered qualifying patients or primary caregivers to provide usable cannabis or any part of the cannabis plant to other registered qualifying patients or caregivers;
- (2) Providing for optional reimbursement to primary caregivers;
- (3) Requiring that the prescribing physician send a copy of the written certification to the patient's primary care physician, if any; and
- (4) 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 Health and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2141, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2141, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Baker, Bunda, Hemmings).

**SCRep. 2389 Commerce and Consumer Protection on S.B. No. 2697**

The purpose of this measure is to update the insurance code in order to bring Hawaii's law into conformity with the best practices in insurance regulation.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs. Testimony in opposition to this measure was received from Hawaii Insurers Council. Testimony with comments was received from the Office of Information Practices, the American Council of Life Insurers, the Hawaii Medical Service Association, USAA, the Hawaii Association of Health Plans, and the Property and Casualty Insurers Association of America. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that this measure promotes national uniformity in insurance laws, streamlines the operations and improves the administrative efficiency of the Insurance Commissioner, and thereby reduces the cost of insurance regulation. Additionally, your Committee finds that this measure will assist the Insurance Commissioner in maintaining accreditation with the National Association of Insurance Commissioners by ensuring that Hawaii's laws are in line with best practices in the industry. Your Committee notes that the breadth of this measure and the changes that it makes to the insurance code are extensive. Therefore, your Committee urges its colleagues in both chambers to take advantage of the opportunities provided by the remainder of the legislative process to ensure that this measure is thoroughly reviewed to ensure that the final version of this measure accomplishes all that it intends to.

Your Committee has amended this measure by:

- (1) Replacing the amendment to section 431:3-304, Hawaii Revised Statutes, with a new section to be added to article III of chapter 431, Hawaii Revised Statutes, in order to clarify that the confidentiality provisions of the section apply only to property and casualty insurers and to harmonize the language used in this section with that used in other portions of the insurance code;
- (2) Changing its effective date to July 1, 2050 for the purpose of encouraging further discussion; and
- (3) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2697, 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 (Green, Hemmings, Ige).

**SCRep. 2390 Commerce and Consumer Protection on S.B. No. 2601**

The purpose of this measure is to regulate the practice of athletic training by requiring athletic trainers to register with the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Department of Education and the Hawaii Athletic Trainers Association. Testimony with comments on this measure was received from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, the University of Hawaii, the Hawaii Chapter of the American Physical Therapy Association, the Occupational Therapy Association of Hawaii, and one private citizen. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii is one of only four states that does not currently regulate the practice of athletic training. Your Committee further finds that the continued absence of regulation creates a climate where athletic trainers who have lost or been denied licensure in other states can move to Hawaii to practice here, thereby putting the public at risk and degrading the profession as a whole. Your Committee finds that it is especially important that the practice of athletic training maintain the highest possible standards for consumer safety since athletic trainers often work with children in elementary and secondary school settings.

Your Committee notes that section 26H-6, Hawaii Revised Statutes, states that the Auditor shall perform a sunrise review before new regulations are imposed on a previously unregulated profession. However, your Committee finds that there is a pressing and immediate need to regulate the profession of athletic training in order to protect the public health, safety, and welfare. Therefore, your Committee finds that it is within the law-making authority vested in the Legislature by Article III, Section 1 of the Hawaii State Constitution to enact legislation regulating the profession of athletic trainers, notwithstanding section 26H-6, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Adding a purpose section to express the finding of the Legislature that the requirements of section 26H-6, Hawaii Revised Statutes, are waived in the interest of protecting the public health, safety, and welfare;
- (2) Adding definitions of "athlete" and "athletic injury"; and
- (3) Changing the effective date to August 1, 2010.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2601, 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 (Hemmings).

**SCRep. 2391 Commerce and Consumer Protection on S.B. No. 2501**

The purpose of this measure is to require public accountancy firms that engage in attest work to undergo regular peer review as a condition of maintaining a permit to practice public accountancy.

Your Committee received testimony in support of this measure from the Board of Public Accountancy, the Hawaii Society of Certified Public Accountants, and Hawaii individuals and businesses. Testimony in opposition to this measure was received from Hawaii Association of Public Accountants and Hawaii individuals and businesses. Testimony with comments was received from the Hawaii Bankers Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the purpose of a mandatory peer review process is to raise the level of quality of public accountancy services and to assure the competency of public accountancy firms in the State. It is the intent of your Committee that the peer review process be helpful to accountancy firms, regulators, the public, and policymakers rather than be punitive to firms. Your Committee



finds that mandatory peer review will provide protection for public users of accountancy services including banks and other lenders, institutional and private investors, and other members of the public who rely on the integrity of the accounting profession.

Your Committee notes that in the past, inaction by the Board of Public Accountancy (Board) in neglecting to timely enact administrative rules necessary to enact a statutorily-created program have resulted in great hardship to public accountancy firms in the State. When compliance with a statutory mandate, such as the requirement for peer review contained in this measure, is not possible due to the absence of necessary implementing rules, Hawaii public accountancy firms are forced to be out of compliance with state law and, therefore, may be ineligible for governmental or out-of-state contracts. It is the intention of your Committee in making this measure effective upon its approval and conditioning the implementation of its peer review process on the enactment of rules to encourage the Board to avoid delays in the rule-making process so as to avoid loss of income and other consequences to Hawaii's accounting firms.

Your Committee respectfully urges the Board to prioritize the adoption of rules to implement this measure. Your Committee notes that the Board has not yet begun to formulate policies and procedures to implement a peer review process and encourages the Board to begin the rules process as soon as possible so as to enact protections for Hawaii's consumers of public accountancy services. Your Committee notes that the Board has expressed its support for this measure and expects that the Board will be eager to implement the peer review process contained in it.

Your Committee has amended this measure by:

- (1) Adding definitions of "attest" and "peer review";
- (2) Clarifying that the peer review process shall apply to all firms practicing public accountancy in Hawaii, including foreign and multi-state firms;
- (3) Specifying that the Board may contract with a third party entity to perform peer reviews, subject to certain conditions;
- (4) Specifying that the Board shall enact rules to implement the peer review process, including rules for the conduct of reviews, standards for reviewers, appeals, and extensions of time for compliance;
- (5) Specifying that the peer review process required by this measure shall become operative one year after the Board reports the adoption of rules for its enactment to the Legislature; and
- (6) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2501, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 2392 Commerce and Consumer Protection on S.B. No. 2220**

The purpose of this measure is to establish a construction site inspection task force to investigate and inspect construction sites for violations of the workplace and safety laws including unlicensed contractor activity, undocumented workers, and workplace safety violations.

Your Committee received testimony in support of this measure from the Subcontractors Association of Hawaii; the Hawaii Laborers Union; the Building Industry Association of Hawaii; the Hawaii Electricians Training Fund; the Hawaii Building and Construction Trades Council, AFL-CIO; The Pacific Resource Partnership; the Electrical Contractor's Association of Hawaii; the General Contractors Association of Hawaii, and one individual. Testimony in opposition to the measure was received from the Department of Labor and Industrial Relations. Comments on this measure were received from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, the Contractors License Board, and the Electricians Union. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that unlicensed or unlawful construction activity undermines the State's regulatory system and puts contractors who do follow the law at a disadvantage since unlicensed operators cut corners by ignoring licensing, workplace safety, labor, and tax laws. Your Committee finds that establishing a task force to investigate the scope and prevalence of construction violations in the State will enhance the ability of all affected departments to enforce existing laws. Your Committee further finds that charging the task force with developing a plan to coordinate the efforts of the Department of Commerce and Consumer Affairs, Department of Taxation, and various divisions of the Department of Labor and Industrial Relations will help to ensure that enforcement efforts are as efficient and cost-effective as possible. Your Committee appreciates the efforts of the stakeholders who worked diligently to develop this measure into its current form.

Your Committee has amended this measure by:

- (1) Removing the contents of this measure from chapter 444, Hawaii Revised Statutes, and instead including them in new session law;
- (2) Clarifying that the task force created by this measure shall be convened by and not administratively attached to the Department of Commerce and Consumer Affairs;
- (3) Changing the focus of the task force created by this measure from immediate enforcement to investigation, advisement, and creation of an enforcement process in order to ensure maximum efficiency and effectiveness in the enforcement program that is ultimately adopted;

- (4) Specifying that the task force shall include representatives of the Disability Compensation, Occupational Safety and Health, and Unemployment Insurance Divisions of the Department of Labor and Industrial Relations;
- (5) Directing the task force to report its findings and recommendations to the Legislature before the convening of the 2011 regular legislative session; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2220, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2220, 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 (Hemmings).

**SCRep. 2393 Commerce and Consumer Protection on S.B. No. 1062**

The purpose of this measure is to regulate professional employment organizations by creating a new regulatory system in the Department of Commerce and Consumer Affairs including:

- (1) Requiring registration with the Department of Commerce and Consumer Affairs;
- (2) Establishing criteria for registration including disclosure of management and financial information;
- (3) Directing the Department of Commerce and Consumer Affairs to establish and maintain the capacity to accept filings, create forms, maintain records, and adopt rules to regulate the professional employer organization industry;
- (4) Establishing registration fees;
- (5) Establishing criteria for professional employer organizations' financial capacity;
- (6) Creating criteria for the conduct of business and the regulation of employer-employee relationships, including supervision and the provisions of benefits, for professional employer organizations; and
- (7) Creating enforcement mechanisms for the regulatory regime established.

Testimony in support of this measure was received from Altres. Testimony with comments was received from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that professional employer organizations act as an outsourced human resource department for other businesses and are responsible for providing personnel and payroll services as well as ensuring the client company's compliance with state and federal laws regarding, labor, taxation, and insurance. Your Committee finds that the importance of professional employer organizations' functions to Hawaii businesses and workers, as well as to the State justifies regulation of these organizations.

Your Committee finds that this measure establishes regulation of professional employer organizations as business to business concerns. Your Committee notes that this measure has been amended extensively since its introduction and has evolved from its original form that created a new regulated industry for professional employer organizations to its current form which merely sets general requirements for the conduct of business in this State. Your Committee notes that this type of regulation is a common practice of the Legislature and is outside of the type of regulation that requires a sunrise review by the Auditor pursuant to section 26H-6, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Deleting the regulatory system established by its original version and replacing it with new provisions to require registration with the Insurance Commissioner including disclosure of management information and financial condition, demonstrating eligibility to do business in the State, and compliance with the relevant insurance laws;
- (2) Requiring professional employer organizations to post a bond in the amount of \$1,000,000;
- (3) Specifying certain exemptions from registration and bond requirements;
- (4) Authorizing the Insurance Commissioner to adopt rules as necessary to implement registration of professional employer organizations;
- (5) Changing its effective date so that the measure is effective immediately; provided the registration requirements created by the measure shall take effect July 1, 2011 in order to allow sufficient time for the Insurance Commissioner and the industry to comply with new requirements.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1062, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ihara).

**SCRep. 2394 (Joint) Health and Commerce and Consumer Protection on S.B. No. 2898**

The purpose of this measure is to update and modify the Diversion Program for Chemically Dependent Nurses to allow the Board of Nursing to permit entities besides the Hawaii Nurses Association to provide services for the diversion program, to update reporting and

data bank maintenance provisions to reflect current practices and federal law, and to permit disciplinary action against a nurse who is noncompliant with the diversion program.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 125, AFL-CIO, the Hawai'i Society of Addiction Medicine, and three individuals. Testimony in support of the intent of this measure with amendments was received from the Board of Nursing. Testimony commenting on this measure was received from the Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure provides the Board of Nursing with more flexibility when assigning a professional association or other entity to administer and monitor the diversion program. Your Committees further find that it is in the interest of public health and safety to permit disciplinary action to be taken against a chemically dependent nurse who is noncompliant with the recommendations and requirements of the diversion program.

Your Committees have amended this measure by:

- (1) Expanding the functions of the diversion program to include assessment in addition to addressing rehabilitation, where appropriate;
- (2) Narrowing the exclusion from disciplinary action for nurses compliant with the diversion program to offenses relevant to chemical dependency;
- (3) Providing that records of a nurse participating in a diversion program shall be privileged and excluded from discovery or subpoena by persons or entities other than the Board of Nursing the or the Regulated Industries Complaint Office; and
- (4) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2898, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2898, 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 (Hemmings, Nishihara).

**SCRep. 2395 (Joint) Education and Housing and Higher Education and Labor on S.B. No. 2122**

The purpose of this measure is to require the Department of Education, the University of Hawaii, and the Department of Labor and Industrial Relations to share data to support research that will improve educational and workforce outcomes and meet the longitudinal data requirements of the federal American Recovery and Reinvestment Act of 2009.

Testimony in support of this measure was submitted by three state agencies. Testimony in support of the intent of this measure was submitted by one state agency and one organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that Hawaii P-20 Partnerships for Education has already received funding for and is in the first year of a three-year project to develop a statewide Longitudinal Data System for students from kindergarten to grade twelve, pursuant to Senate Concurrent Resolution No. 146 (2009). The Department of Education, University of Hawaii, and Department of Labor and Industrial Relations, the lead agencies in that collaborative effort, executed an inter-agency data sharing Memorandum of Agreement in October of 2009. In the fall of 2009, Hawaii P-20 Partnerships for Education also coordinated the State's application for a United States Department of Education Statewide Longitudinal Data System Grants competition to expand the Longitudinal Data System to include outcomes from early childhood to kindergarten and from grade twelve to the workforce. Your Committees find that an expansion of the Longitudinal Data System requires the collection of an even greater depth and breadth of data and that this measure facilitates that effort by codifying data-sharing requirements that have already been agreed to through the October 2009 Memorandum of Agreement.

Your Committees further find that requiring all appropriate state agencies to share data would ensure that a more comprehensive set of data is available should the State be awarded additional funding to expand the Longitudinal Data System. Accordingly, your Committees have amended this measure as follows:

- (1) By expanding the requirement for data-sharing and the membership of the Data Governance and Access Committee to also include other appropriate state agencies;
- (2) By clarifying that the data sharing shall occur no less than annually;
- (3) By clarifying that the Data Governance and Access Committee shall prioritize analyses and research questions that will provide information to improve educational and workforce outcomes and policies; and
- (4) By requiring all state agency directors to consider sharing data for the statewide Longitudinal Data System.

As affirmed by the records of votes of the members of your Committees on Education and Housing, Higher Education, and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2122, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2122, 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, 5 (Bunda, Hee, Hemmings, Tokuda, Tsutsui).

**SCRep. 2396 Labor on S.B. No. 2174**

The purpose of this measure is to include county representation in the Board of Trustees of the Employees' Retirement System.

Specifically, this measure replaces one citizen/non-employee of the State member with a county representative member who is appointed by the Hawaii Council of Mayors.

Testimony in support of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the counties contribute a considerable share to retirement system costs, and their employees and retirees are a significant portion of the System's membership. As such, your Committee believes that it is appropriate to include county representation on the Employee's Retirement System Board of Trustees. County representation will ensure that the Board possesses expertise about county finances and the county workforce in making benefit decisions. Lack of representation may result in a situation where Board members do not fully consider the impact of their actions on the counties, resulting in changes that may not be cost beneficial in the aggregate or may affect the retirement income of county employees and retirees.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2174 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 2397 Commerce and Consumer Protection on S.B. No. 2188**

The purpose of this measure is to include teeth whitening in the definition of the practice of dentistry.

Your Committee received testimony in support of this measure from the Board of Dental Examiners and the Hawaii Dental Association. Testimony with comments was received from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that numerous kiosks offering teeth whitening services have appeared in the State in recent years. Your Committee finds that these kiosks are frequently staffed by operators or employees with little or no training in dentistry or hygiene procedures and operate without proper oversight by regulatory agencies. Your Committee further finds that teeth whitening performed by untrained persons can injure consumers through damage to teeth, burned gums, choking on or swallowing of whitening agents, and potential spread of disease. Your Committee notes that the risk of harm from disease also extends to the employees of teeth whitening kiosks who may be exposed and who may lack the proper hygiene or sanitation training to protect themselves.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2188 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2398 Commerce and Consumer Protection on S.B. No. 2343**

The purpose of this measure is to prohibit an insurer from requiring a doctor's referral for annual mammograms for covered individuals over forty years old.

Your Committee received testimony in support of this measure from Healthy Mothers Healthy Babies Coalition of Hawai'i, Planned Parenthood of Hawaii, the Hawai'i Women's Coalition, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that women over forty years of age are at an increased risk for breast cancer. Your Committee further finds that no-referral annual mammograms for covered women over forty will increase the likelihood of early detection of breast cancer which will increase the chances of survival for women diagnosed with this disease.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2343, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2399 Judiciary and Government Operations on S.B. No. 2020**

The purpose of this measure is to maintain a fair and reasonable standard for lease provisions in long term industrial and commercial ground leases by extending the effective date of Act 189, Session Laws of Hawaii 2009, to June 30, 2015.

Your Committee finds that the conditions that prompted the passage of Act 189, Session Laws of Hawaii 2009, still exist today. The solvency and continued profitability of small businesses remain essential to the economic stability of the State. Since the purpose of Act 189, to alleviate the economic burden on lessees of certain commercial and industrial properties by removing barriers to free and fair rent negotiations, remains relevant in the current economic climate, your Committee finds that the extension of Act 189's effective date contained in this measure is necessary for the economic stability of the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2020 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2400 Ways and Means on S.B. No. 2715**

The purpose of this measure is to suspend the Petroleum Industry Monitoring, Analysis, and Reporting Program indefinitely.

Your Committee received written comments in support of this measure from the Public Utilities Commission. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Petroleum Industry Monitoring, Analysis, and Reporting Program requires frequent periodic collection and reporting of petroleum industry data regarding imports, exports, production, retail and wholesale transactions, and costs. To date, the program has not produced evidence of economic misbehavior by the petroleum industry in Hawaii. The Committee believes that suspension of the program will free the Public Utilities Commission to focus its staff, time, and resources on higher priority regulatory matters and relieve the petroleum industry of intensive weekly reporting requirements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2715 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2401 Ways and Means on S.B. No. 2643**

The purpose of this measure is to repeal the sunset date of (and thereby make permanent) a law that provides an excise tax exemption for amounts received by a submanager of a condominium association of apartment owner under chapter 514A, Hawaii Revised Statutes.

The measure also repeals the sunset date of a law that provides an excise tax exemption for amounts received as employee wages and benefits by an operator of a hotel from a timeshare association and amounts received by the suboperator of a hotel from the owner of the hotel, timeshare association, or the operator of a hotel.

Your Committee received written comments in support of this measure from Marriott Vacation Club and Outrigger Hotels. The Tax Foundation of Hawaii submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that making these tax exemptions permanent will not only clarify the general excise tax law but will also remove disincentives for owners to pay higher wages, provide higher levels of employee benefits, and employ the services of local operators and vendors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2643, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2402 Ways and Means on S.B. No. 2389**

The purpose of this measure is to allow the University of Hawaii to continue to finance the establishment of Hawaii commercial enterprises beyond June 30, 2011.

Your Committee received comments in support of this measure from the University of Hawaii. Written comments may be reviewed on the Legislature's website.

Your Committee finds that Act 106, Session Laws of Hawaii 2008, granted the University of Hawaii the flexibility to use university funding from various sources, other than general funds, to finance the establishment of new commercial enterprises. Your Committee also finds that preserving this flexibility is vital to maintaining a healthy and productive commercial enterprise system at the University. Currently, the amendment made in Act 106, Session Laws of Hawaii 2008, will be repealed on June 30, 2011. Your Committee believes that if the University of Hawaii's flexibility to finance the establishment of new commercial enterprises is not continued beyond that date, there will likely be significantly less funding available for the University to take advantage of new or unique commercial opportunities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2389 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Galuteria, Hee, Tokuda).

**SCRep. 2403 Ways and Means on S.B. No. 2386**

The purpose of this measure is to establish the University of Hawaii capital improvements program project assessment special fund to defray the costs associated with the University's capital improvement projects.

Your Committee finds that the University of Hawaii capital improvements program project assessment special fund will allow the University to apportion certain expenses associated with capital improvements between the University's capital projects. Your Committee also finds that special funds have been established by the Department of Accounting and General Services, the Department of Education, and other state agencies for the similar purpose of apportioning related capital improvement project 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. 2386 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Galuteria, Hee, Tokuda).



**SCRep. 2404 Ways and Means on S.B. No. 2440**

The purpose of this measure is to allow additional authorized personnel to disburse funds for a county board of water supply.

Your Committee received written comments in support of the measure from the Kauai County Department of Water. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the county boards of water supply need the flexibility to allow their professional staffs to manage ministerial duties such as the disbursement of accounts payable vouchers. Your Committee believes that this measure will expedite the processing of accounts payable vouchers by authorizing a county board of water supply's manager and chief engineer to issue vouchers to vendors instead of waiting for a board of water supply to approve the vouchers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2440 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2405 Ways and Means on S.B. No. 2610**

The purpose of this measure is to require the Director of Taxation to provide the administrator of each county's real property assessment division with an image of all certificates of conveyance filed with the Bureau of Conveyances.

Comments in support of the measure were submitted by the Department of Budget and Fiscal Services, Real Property Assessment Division, City and County of Honolulu; Department of Finance, Real Property Assessment Division, County of Kauai; and County of Maui, Department of Finance, Real Property Tax Division. Comments in opposition to the measure were submitted by the Department of Taxation. The comments may be reviewed on the Legislature's website.

Your Committee finds that this measure would improve the ability of the counties to promptly track ownership, encumbrances, restrictions, uses, and sales prices of real property for the purpose of determining real property tax assessments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2610 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hemmings, Kidani, Tokuda).

**SCRep. 2406 Ways and Means on S.B. No. 2159**

The purpose of this measure is to increase the fee for a traffic abstract from \$7 to \$10 and to deposit the amount of the increase into the general fund.

Your Committee received comments in support of this measure from the Judiciary. The Hawaii Insurers Council, State Farm, and the United Services Automobile Association submitted comments in opposition. The written comments may be reviewed on the Legislature's website.

Your Committee finds that traffic abstract fees have not changed since 1996. Your Committee also finds that the \$3 increase in the traffic abstract fee would put Hawaii on par with other state traffic abstract fees and below Nevada (\$11), Texas (\$20), and Idaho (\$26). Your Committee believes that the \$3 increase is nominal and could generate \$1,500,000 for deposit 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 S.B. No. 2159 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2407 Ways and Means on S.B. No. 2549**

The purpose of this measure is to amend the amount and allocations of a previous appropriation made out of the unemployment insurance trust fund for the benefit of the county workforce investment boards and the Department of Labor and Industrial Relations.

Your Committee received comments in support of the measure from the Mayor of Hawaii County, 12-Mile Kumiai Association, Alu Like, Going Home, Goodwill Industries of Hawaii, Hawaii Community Correctional Center, Hawaii County Workforce Investment Board, Hawaii Island Workforce and Economic Development Ohana, Hawaii Island Workforce Investment Board, Oceanic Time Warner, Subaru Telescope (National Astronomical Observatory of Japan), Waiakea High School Senior Project, W.H. Shipman, and two individuals. The written comments may be reviewed on the Legislature's website.

Your Committee finds that further appropriations of federal Reed Act funds are necessary to enable the county workforce investment boards to continue to develop initiatives related to: improving employer outreach and services, labor force pool expansion, and capacity building; and providing support to a growing network of workforce investment board partners.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2549, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2408 Ways and Means on S.B. No. 2107**



The purpose of this measure is to amend the Employer-Union Health Benefits Trust Fund definition of “dependent-beneficiary”, relating to individuals with disabilities, to conform with the definition used for Medicare purposes.

Your Committee finds that the definition of “dependent-beneficiary”, with regards to individuals with disabilities under the Employer-Union Health Benefits Trust Fund, is inconsistent with the definition used for Medicare purposes pursuant to Title 42 United States Code section 426(b). Your Committee believes that by conforming the current definition with federal law, more people will be eligible for insurance benefits under the Employer-Union Health Benefits Trust Fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2107, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2409 Ways and Means on S.B. No. 2117**

The purpose of this measure is to repeal the school-level minor repair and maintenance account and reporting requirements.

Presently, there are both the school-level minor repair and maintenance account and the school-level minor repairs and maintenance special fund. The former is for the use by each school to contract for minor repairs and maintenance that shall not exceed \$25,000 each per school. The latter is set up to receive funds from check-offs on income tax refunds, as well as other moneys received by the Department of Education for school level minor repairs and maintenance.

Your Committee finds that while the goal of the existing structure is laudable, the accounting and reporting requirements generated by this structure are duplicative, as section 37-47, Hawaii Revised Statutes, sets forth reporting requirements for all non-general funds. This measure will streamline the reporting process by repealing the school-level minor repair and maintenance account, and requiring the Department of Education to submit a report each year identifying the total amount of funds in the school-level minor repairs and maintenance special fund that will carry over to the next fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2117, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2410 Ways and Means on S.B. No. 2157**

The purpose of this measure is to increase the administrative driver’s license revocation hearing fee from \$30 to \$40.

The measure also:

- (1) Shifts the cost of mailing a request for an administrative hearing from the Administrative Driver’s License Revocation Office to the person requesting the hearing; and
- (2) Allows the Administrative Director of the Courts to authorize hearings to be held:
  - (A) In a county other than the county where the notice of administrative revocation was issued; and
  - (B) By telephone, video, or other electronic means.

Your Committee finds that the current administrative revocation hearing fee of \$30 was established in 2000. The caseload of the Administrative Driver’s License Revocation Office, however, has increased by fifty-six per cent since then. The fee increase proposed in this measure will assist in meeting the cost of the increased workload. Your Committee also finds that requiring the person requesting the administrative hearing to pay the postage for the request, and allowing the Administrative Director of the Courts to conduct hearings in a county other than the county of the arrest, or by electronic means, will result in further cost savings for the Judiciary. The financial benefits of this measure are especially important to the State during this current economic crisis.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2157, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Hemmings, Kokubun).

**SCRep. 2411 (Majority) Ways and Means on S.B. No. 2594**

The purpose of this measure is to place greater control on the general excise tax exemption for affordable rental housing.

Specifically, this measure provides that a general excise tax exemption approved and certified by the Hawaii Housing Finance and Development Corporation for a newly constructed or moderately or substantially rehabilitated housing project developed by a qualified person or firm to provide affordable housing shall apply only to the portion of rental income received from households that meet gross annual income requirements.

This measure also adds a residency requirement for households in a newly constructed or moderately or substantially rehabilitated housing project developed by a qualified person or firm in order for that person or firm to be considered to receive a general excise tax exemption.

Your Committee received written comments in opposition of this measure from Ford Island Housing and the Chamber of Commerce of Hawaii. The written comments may be reviewed on the Legislature’s website.

Your Committee finds that this measure establishes a more level and fair playing field for resident individuals and families who need affordable housing by better targeting an incentive to developers and owners of rental units for low and moderate income renters and for homeowners residing in new or substantially rehabilitated 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 S.B. No. 2594, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (English, Fukunaga, Galuteria, Tsutsui). Noes, 1 (Kidani). Excused, 1 (Hemmings).

**SCRep. 2412 Commerce and Consumer Protection on S.B. No. 2102**

The purpose of this measure is to require that insurers that base coverage for prescription drugs on a formulary or prior authorization requirement establish drug formulary advisory boards to create and update the insurer's formulary or prior authorization policy.

Your Committee received testimony in support of this measure from Hawaii Medical Association and one private citizen. Testimony in opposition to this measure was received from 'Ohana Health Plan and Hawaii Association of Health Plans. Testimony with comments was received from Hawaii Medical Service Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that outsourcing the formulation of drug formularies and prior authorization policies to pharmacy benefit managers (PBMs) by Hawaii insurers has been detrimental to the quality and accessibility of health care in the State. Your Committee finds that policies set by out-of-state PBMs can be burdensome for doctors, pharmacists, and patients alike. Further, your Committee finds that large, national PBMs have little local accountability for the effects of their policies. Your Committee finds that unreasonable prescription drug policies and practices enforced by out-of-state PBMs can lead to decreased quality of health care as well as to decreased participation by Hawaii health care providers in health insurance plans that adhere to overly burdensome policies, thereby limiting Hawaii consumers' access to health care and choice of provider. Your Committee finds that locally-based formulary boards will provide greater accountability and greater responsiveness to Hawaii's health care needs.

Your Committee has amended this measure by:

- (1) Clarifying that a majority of the members of a drug formulary board shall be licensed health care providers currently practicing and residing in Hawaii; and
- (2) Making nonsubstantive technical changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2102, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2102, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2413 Commerce and Consumer Protection on S.B. No. 2163**

The purpose of this measure is to define the practice of nursing and delineate the scope of practice for registered nurses, licensed practical nurses, and advanced practice registered nurses.

The measure adopts the National Council of State Boards of Nursing Model Nursing Practice Act (NCSBN) and Model Nursing Administrative Rules that pertain to the scope and standards of nursing practice for registered nurses, licensed practical nurses, and advanced practice registered nurses.

Your Committee received testimony in support of the intent of this measure with amendments from the Board of Nursing, University of Hawai'i Kapi'olani Community College Nursing Department, the Hawaii Association of Professional Nurses, and eight individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that consumers benefit when nurses provide uniform nursing care. In this regard, adopting NCSBN provisions and rules will help Hawaii to conform to national guidelines governing nursing practice. Additionally, your Committee notes that language in the measure requiring advanced practice registered nurses to be under the authority and supervision of a registered physician when prescribing controlled substances is not needed. The Board of Nursing has assured your Committee that administrative rules currently being adopted require the collaborative agreements between collaborating physicians and advanced practice registered nurses to ensure that generally accepted standards of practice in accordance with state and federal law are adhered to in prescribing controlled substances. Your Committee finds that this approach has been adopted by over forty states and is appropriate for the State of Hawaii. This approach is also consistent with the intent of Act 169, Session Laws of Hawaii 2009, which sought to update advanced practice registered nurses' authority to write prescriptions to increase access to health care professionals in Hawaii and found the roles of physicians and advanced practice registered nurses to be complementary.

Your Committee has amended this measure by:

- (1) Removing dispensation authority for advanced practice registered nurses;
- (2) Amending the definition of advanced practice registered nurse to delete the requirement that advanced practice registered nurses be under the authority and supervision of a registered physician; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2414 Commerce and Consumer Protection on S.B. No. 2390**

The purpose of this measure is to allow the Board of Pharmacy to recognize practical experience under the supervision of a licensed pharmacist obtained in territories of the United States and the District of Columbia as well and at designated non-pharmacy practice locations for purposes of meeting the requirements for licensure as a pharmacist in this State.

Your Committee received testimony in support of this measure from the Board of Pharmacy, University of Hawai'i at Hilo College of Pharmacy, CVS Caremark/Longs Drugs, PHI Pharmacies, and three private citizens. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow many students of pharmacy in Hawaii to gain their required practical experience in their home communities. This will accomplish the joint purposes of attracting students from diverse locations to Hawaii to study pharmacy and of improving access to health care in the students' home territories. This measure will also expose pharmacy students to expanded opportunities for professional development in a variety of health care settings, including clinics and acute care facilities, beyond traditional pharmacies.

Your Committee has amended this measure by making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2390, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2390, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2415 Commerce and Consumer Protection on S.B. No. 2698**

The purpose of this measure is to allow dependent children who are under the age of twenty-seven and not covered under another health insurance plan to be covered by their parent's or guardian's health insurance plan.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will reduce the number of students and unemployed or underemployed young adults who are uninsured or unable to find non-group health insurance at an affordable price. Your Committee also finds that bringing more of the healthier, young uninsured population into the insured system will spread health care cost over a larger pool of people, which may make premiums more affordable for the majority of people. Moreover, your Committee finds that providing young adults with insurance coverage will help ensure early treatment before the onset of serious illness and without having to rely on emergency room care.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2698, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2698, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2416 Commerce and Consumer Protection on S.B. No. 2811**

The purpose of this measure is to require all pharmacies and remote dispensing pharmacies to have the capacity to maintain and transmit prescriptions electronically.

Your Committee received testimony in support of the intent of this measure from the Hawaii Medical Service Association. Your Committee received testimony in opposition to this measure from the Department of Health and the Board of Pharmacy. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will improve patient safety. Your Committee also finds that this measure fits right in with efforts to connect Hawaii's health care delivery system electronically from available American Recovery and Reinvestment Act of 2009 funding through the Hawaii Health Information Exchange. Your Committee is aware of concerns that this measure may impose a significant burden on small pharmacies and physicians' practices. In this regard, your Committee notes that this measure has a required compliance date of January 1, 2012, and a delayed effective date of July 1, 2050, to encourage further discussion of this measure and to allow time to address these concerns.

Your Committee has amended this measure by making technical, nonsubstantive changes to conform to preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2811, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2811, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2417 Commerce and Consumer Protection on S.B. No. 2494**

The purpose of this measure is to require that insurers that offer prescription drug benefits provide identical benefits to an insured's previous policy of prescription drug benefits when an insured changes insurers.

Your Committee received testimony in support of this measure from the American Cancer Society, the Alliance for Plasma Therapies, the GBS/CIDP Foundation International, the Neuropathy Action Foundation, the American Academy of Pediatrics Hawaii Chapter, and the Alzheimer's Association Aloha Chapter. Testimony in opposition to this measure was received from the Insurance Commissioner of the Department of Commerce and Consumer Affairs, the Department of Human Services, Hawaii Association of Health Plans, and the Hawaii Medical Service Association. Comments on this measure were received from Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the policy of continuing coverage for medically necessary prescription drugs has merit and will positively impact the State's most medically vulnerable residents. Your Committee notes the opposition to this measure by some state agencies and insurers. However, your Committee persists in its support of the intention of this measure, which is to ensure that a patient is not deprived of life-saving medication due to a change in insurance coverage that may be beyond the patient's control. Your Committee is sympathetic to the concerns of insurers regarding the implementation of this measure; it is not the intention of your Committee to cause an increase in the cost of health insurance and your Committee looks forward to working with insurers throughout the remainder of the legislative process to craft a final product that is agreeable to all involved. Your Committee further notes the objections of the Insurance Commissioner that this measure may violate Hawaii's Prepaid Health Care Act and finds this assertion to be without merit. Finally, your Committee notes the objection to this measure by the Department of Human Services and reiterates that this measure is not applicable to that Department's drug formulary.

Your Committee finds that this measure will help ensure positive health outcomes and increased quality of life for individuals who suffer from chronic diseases and who need continued, uninterrupted access to necessary medications. It is your Committee's objective to protect these individuals from a sudden loss of access to life-saving medications due to a change in the individual's insurance coverage or a change in an insurer's drug formulary or coverage policy.

Your Committee has amended this measure by:

- (1) Specifying that continued coverage applies only to life-saving medications as determined by a covered individual's physician;
- (2) Specifying that continuing coverage of life-saving medication shall apply to both new patients and to individuals who maintain coverage after the insurer changes its prescription drug formulary or coverage policy;
- (3) Adding a new section to apply to fraternal benefit societies so that all insurers in the State are treated equally; and
- (4) Changing its effective date to July 1, 2050 in order to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2494, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Sakamoto).

**SCRep. 2418 Commerce and Consumer Protection on S.B. No. 2491**

The purpose of this measure is to clarify telemedicine as a practice of medicine and to require insurers offering medical malpractice insurance coverage to cover telemedicine.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association and the Hawaii State Rural Health Association. Testimony in support of the intent of this measure with amendments was received from the Hawaii Medical Association. Testimony commenting on this measure was received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure clarifies that telemedicine is an acceptable medium for the practice of medicine and ensures that it is included in the list of practices that liability insurance covers.

Your Committee has amended this measure by making a technical, nonsubstantive change to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2491, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2491, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2419 Commerce and Consumer Protection on S.B. No. 2271**

The purpose of this measure is to provide greater transparency and accountability for how insurers spend health care premiums.

Your Committee received testimony in support of this measure from Hawaii Medical Service Association, Hawaii Association of Health Plans, and one private citizen. Testimony in opposition to this measure was received from the Insurance Commissioner of the Department of Commerce and Consumer Affairs and 'Ohana Health Plan. Testimony with comments was received from the Department of the Attorney General, Hawaii Medical Association, and the American Council of Life Insurers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the medical data clearinghouse created by Section 2 of this measure serves the purpose of transparency in the spending of health insurance premium dollars by providing a comprehensive source of information to be used by consumers, the health care industry, the health insurance industry, and government bodies to compare costs, services, and reimbursements across providers in order to be able to make informed choices in selecting health care and formulating health care policy. Your Committee further notes that health insurance premium spending is spread across a variety of providers and facilities. To obtain an accurate picture of health insurance premium distribution, transparency across the full spectrum of the health care system is necessary. Your Committee finds that the health care system is comprised of a broad network of providers, including direct service providers, facilities that house services, and insurers that enable access to services. The goal of transparency in health care premium spending is only achievable by promoting transparency in the system as a whole.

Your Committee finds that the minimum spending threshold and transparency reporting requirements established by Section 3 of this measure are an effective means of enforcing transparency in health insurance premium spending. Your Committee finds that the annual premium transparency report required under Section 3 of this measure will provide focused information on the exact expenditures of premium dollars that will be especially valuable in the context of the larger amount of health care spending information provided by the medical data clearinghouse.

Your Committee has amended this measure by:

- (1) Adding a new section to remove a conflicting provision of the current law that would allow a mutual benefit society to exceed the minimum spending threshold established by this measure; and
- (2) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2271, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2271, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Green). Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2420 Commerce and Consumer Protection on S.B. No. 2598**

The purpose of this measure is to require the State to pay interest on past due payments to a health plan with which it has contracted under the Medicaid program.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii and Hawaii Medical Association. Testimony in opposition to this measure was received from the Department of Human Services and one private citizen. Testimony with comments was received from the Hawaii Medical Service Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will create parity in contracts between the State and the private medical practitioners and insurers who provide care to Hawaii's low-income residents. Under existing law, a contractor has no recourse for delayed payments by the State, even when payments are mandated under the terms of a contract. Your Committee further finds that this measure will bring the State into parity with all other health insurers under the Clean Claims Act which requires timely payment of uncontested claims of all insurers except Medicaid.

Finally, your Committee finds that delayed payments by the State are harmful to both large contractors such as health maintenance organizations who incur extensive expenditures under large service contracts and to small providers such as independent doctors who are not able to absorb the losses and income disruptions caused by delays in payment. Your Committee finds that these hardships provide a disincentive to participation in the Medicaid program for medical providers of all types.

Your Committee has amended this measure by:

- (1) Adding a new section to include the interest requirement in chapter 103F, Hawaii Revised Statutes;
- (2) Adding a new provision that suspends accrual of interest where the failure to pay a claim is caused by a late payment to the payor entity by another government agency under another government program; and
- (3) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

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

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Sakamoto).

**SCRep. 2421 Commerce and Consumer Protection on S.B. No. 2455**

The purpose of this measure is to provide an exemption from the regulation of motor vehicle sun screening devices for transparent sun screening materials applied to the AS-1 portion of the windshield in compliance with federal law.

Your Committee received testimony in support of this measure from the City and County of Honolulu, the Hawaii Business League, and T&T Tinting Specialists, Inc. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure updates current law to conform with new technologies that reduce 99.9 per cent of the ultraviolet light spectrum and almost half of the heat without reducing light transmission below the federal minimum standard of seventy per cent visible light transmission.



Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2455, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2455, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Sakamoto).

**SCRep. 2422 Commerce and Consumer Protection on S.B. No. 2607**

The purpose of this measure is to update the law regulating activity desks to provide greater protections for consumers and activity providers.

Specifically, this measure:

- (1) Establishes record keeping and trust account requirements for client trust accounts held by activity desks;
- (2) Clarifies that activity desks shall include registration numbers on all advertising materials;
- (3) Requires an activity desk to obtain full payment for activities prior to or at the time reservations are made, subject to certain exceptions; and
- (4) Deletes statutory language allowing activity desks to substitute other types of funds or accounts for a client trust account.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Activities & Attractions Association of Hawaii, Safari Aviation, Inc., Old Lahaina Luau, Valley Isle Excursions, Inc., and two private citizens. Testimony with comments on this measure was received from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will strengthen both consumer protection and the enforcement abilities of the Department of Commerce and Consumer Affairs. Your Committee finds that past violations and bad practices by activity desks have resulted in economic losses to local activity providers and damage to Hawaii's good reputation as a visitor destination. Your Committee finds that this measure will enable regulators to conduct thorough investigations expeditiously and will provide clear guidance to activity desks that do adhere to the law in the conduct of their business. Finally, your Committee finds that the purpose of a client trust account, to ensure that individuals and activity providers are able to recover money that is rightfully owed to them by an activity provider, may be equally well served through the mechanism of a bond or letter of credit.

Your Committee has amended this measure by:

- (1) Restoring language that allows an activity desk to substitute a bond or letter of credit for a client trust account;
- (2) Increasing the maximum amount of bond or letter of credit required to \$250,000; and
- (3) Making nonsubstantive technical amendments for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2607, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2607, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Sakamoto).

**SCRep. 2423 Education and Housing on S.B. No. 2408**

The purpose of this measure is to amend the criteria for approval by the Hawaii Community Development Authority of substitute reserved housing projects to be constructed within and outside of the geographic boundaries of the Authority's jurisdiction.

Testimony in support of this measure was submitted by one state agency and four organizations. Testimony in support of the intent of this measure was submitted by one state agency. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In *Kalima, et al. v. State of Hawaii, et al.*, Civil No. 99-0-4771-12 (EEH), on November 3, 2009, Judge Hifo ruled that the State of Hawaii is liable for breaches of trust to native Hawaiian beneficiaries of the Hawaiian Home Lands Trust that led to delays in the award of homestead lots between 1959 and 1988. Judge Hifo found:

"By any measure and any method the clear and convincing evidence proves the award of significantly more homesteads would have occurred during the claims period if the Defendant State had cured its own breaches and those of predecessor trustees for which the State became equally responsible as the successor trustee that knew and ignored the prior breaches." (*Kalima, et al. v. State of Hawaii, et al.*, Decision Regarding Liability and Legal Causation Following Bifurcated Trial on Aforesaid Issues, November 3, 2009.)

While the State has made progress in generating income from the trust lands and getting claimants onto the land, your Committee finds that this measure is a viable and appropriate effort by the State to further carry out its trust responsibilities to provide additional housing for its beneficiaries. With approximately 25,000 native Hawaiian applicants waiting for an opportunity for home ownership, this measure would help more native Hawaiians obtain affordable and needed housing.



Your Committee finds that amendments to this measure are necessary to maintain the intent of creating reserved workforce housing in the urban Honolulu core while also creating opportunities for the Department of Hawaiian Home Lands to provide additional housing for its beneficiaries. Accordingly, your Committee has amended this measure by:

- (1) Reducing the maximum percentage of affordable housing requirements imposed on any proposed development project that may be satisfied through substitute reserved housing from fifty per cent to thirty-three per cent;
- (2) Requiring the allowed substitute reserved housing to be located on land within the jurisdiction of the Department of Hawaiian Home Lands and within the urban core of Honolulu; provided that for development projects within the Kalaeloa Community Development District, substitute reserved housing units shall be located on lands within the jurisdiction of the Department of Hawaiian Home Lands on the island of Oahu;
- (3) Removing the requirement that substitute reserved housing units must be substantially equal in value to the housing units that were to be developed;
- (4) Allowing the development of substitute reserved housing to be undertaken pursuant to requests submitted by Hawaiian Homestead Community Associations;
- (5) Inserting an effective date of July 1, 2050, to allow for further discussion of this measure; and
- (6) 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2408, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2408, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hemmings, Tsutsui).

**SCRep. 2424 Labor on S.B. No. 2175**

The purpose of this measure is to require that one public employer member on the Board of Trustees of the Employer-Union Health Benefits Trust Fund be appointed by the Hawaii Council of Mayors to represent the counties.

Comments on this measure were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the counties contribute a substantial amount to the Employer-Union Health Benefits Trust Fund and the health and well-being of their employees and retirees depend on the benefit decisions made by the Board of Trustees. Your Committee also finds that having a county representative serve on the Board of Trustees will provide the Board with insight into the fiscal and employment concerns that pertain to each respective county.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2175, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2175, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 2425 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2110**

The purpose of this measure is to expedite the construction of affordable housing units by requiring ministerial permits associated with the project to be issued by the state or county within sixty days of receipt of a permit application deemed to be complete by the receiving state or county agency.

Testimony in support of this measure was submitted by one state agency and four organizations. Two state agencies support the intent, and one county agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure was proposed by the Affordable Housing Regulatory Barriers Task Force which was established in response to the United States Department of Housing and Urban Development's National Call to Action for Affordable Housing Through Regulatory Reform. The Task Force's main objective was to identify regulatory barriers to affordable housing developments in the State and to recommend solutions. One of the barriers identified by the Task Force is that non-discretionary, ministerial permits, issued subsequent to the approval of an affordable housing project, take a significant amount of time to issue. Your Committee finds that by establishing standard timeframes to issue these ministerial permits, this measure will expedite the construction of affordable housing.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 for the purposes of facilitating further discussion; and
- (2) Making technical, nonsubstantive changes for the purpose of 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. 2110, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2110, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2426 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2111**

The purpose of this measure is to shorten the time period within which counties may accept or reject requests for dedication of infrastructure for affordable housing to sixty days, commencing upon receipt by the appropriate county council of a complete application for dedication request, and subject to certain conditions.

Testimony in support of the measure was submitted by four organizations. Two state agencies support the intent and one county agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure was proposed by the Affordable Housing Regulatory Barriers Task Force which was established in response to the United States Department of Housing and Urban Development's National Call to Action for Affordable Housing Through Regulatory Reform. The Task Force's main objective was to identify regulatory barriers to affordable housing developments in the State and to recommend solutions. The Task Force determined that in some cases counties do not affirmatively accept public infrastructure that has been developed as a part of an affordable housing project, and that when that dedication is delayed the project financing may be jeopardized. Your Committee finds that this measure expedites the dedication of infrastructure process by the counties, which in turn advances affordable housing projects in a timely manner.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 for the purposes of further discussion; and
- (2) Making technical, nonsubstantive amendments for the purpose of 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. 2111, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2111, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2427 Ways and Means on S.B. No. 2599**

The purpose of this measure is to require insurers to provide coverage for colorectal cancer screening.

Specifically, this measure requires accident and health insurers, mutual benefit societies, and fraternal benefit societies to provide this colorectal screening by colonoscopy and any other screening modalities that have received a grade of A or B from the United States Preventive Services Task Force.

Your Committee finds that colorectal cancer is currently the third most common cancer in the United States and the second most common cause of cancer deaths among both men and women. However, colorectal cancer is preventable when detected early, and the cost for screening is negligible compared to the cost of treating colorectal cancer after a delayed detection. Your Committee finds that mandating colorectal examinations and other screening modalities as a required provision in health insurance coverage will not only reduce health care costs, but will also save lives and enable the early treatment of colorectal cancer.

Your Committee has made technical nonsubstantive amendments for the purposes of accuracy 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. 2599, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2599, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2428 Ways and Means on S.B. No. 2081**

The purpose of this measure is to increase the fine for littering and to distribute the proceeds of the fine to the jurisdiction that assessed the fine.

More specifically, this measure requires that the proceeds of a fine imposed by a county agency be deposited into that county's general fund and the proceeds of a fine imposed by a state agency be deposited into a special account within the state general fund for use by that agency.

Your Committee received comments in support of this measure from the County of Hawaii Department of Environmental Management. The written comments may be reviewed on the Legislature's website.

Your Committee finds that increased fines are needed to discourage littering and to encourage enforcement of the laws prohibiting littering.

Your Committee has amended this measure by 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. 2081, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2081, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2429 Ways and Means on S.B. No. 2954**

The purpose of this measure is to create a pilot project to transfer the state highway maintenance functions on Maui, Molokai, and Lanai to the county of Maui.

This measure also transfers the applicable funding for maintenance of state highways on Maui from the State to Maui county.

Your Committee received comments in support of this measure from the Department of Transportation. The Department of the Attorney General and a member of the Maui City Council submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the pilot project established by this measure will assist in eliminating duplicative highway maintenance functions provided by the State and county, which is of particular importance in light of the current fiscal crisis. Your Committee further finds that if this pilot project is successful, statewide implementation may be warranted in the future to eliminate duplicative functions of the State and all counties.

Your Committee amended this measure by:

- (1) Clarifying that the transfer of applicable funding from the State to Maui county is for the maintenance of state highways on Maui, Molokai, and Lanai;
- (2) Changing the definition of "state highways" to mean highways on the island of Maui, Molokai, and Lanai that are under the jurisdiction of the Department of Transportation, Highways Division, as of December 30, 2010;
- (3) Adding a deadline of January 1, 2011, by which the Department of Transportation shall establish the equitable proportionate funding formula for highway maintenance functions; 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. 2954, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2954, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2430 Ways and Means on S.B. No. 2702**

The purpose of this measure is to allow federal reimbursements for disaster relief to be held in a trust account for future disaster relief.

This measure also ensures that the moneys deposited into the trust account do not lapse into the general fund and are available for disaster relief in the event of a major disaster.

Your Committee received comments in support of this measure from the state Department of Defense. Written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will ensure the availability of disaster relief funds on the occurrence of a major disaster.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date of this measure to July 1, 2055, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2702, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2702, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2431 Ways and Means on S.B. No. 2502**

The purpose of this measure is to appropriate funds to the Hawaii Civil Air Patrol to continue its missions and tsunami operations in Hawaii.

Your Committee received written comments in support of this measure from the United States Air Force Auxiliary's 66th Composite Squadron and three concerned individuals. The written comments may be reviewed on the Legislature's website.

Your Committee finds that, in addition to several important civil defense missions, the Hawaii civil air patrol also provides the only airborne tsunami warning service in the State. Your Committee further finds that the Hawaii Civil Air Patrol requires state funds in order to continue its vital tsunami warning operations.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2110 to facilitate further discussion on the 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. 2502, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2502, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2432 Ways and Means on S.B. No. 2139**

The purpose of this measure is to authorize the Director of the Office of Veterans' Services to act on behalf of deceased veterans who are indigent at the time of death and do not have surviving immediate family members to ensure the burial or cremation and interment of the veteran's remains in a state veterans cemetery.

Comments in support of this measure were submitted by the Office of Veterans Services. The written comments received by the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will address an important issue facing a significant number of veterans in Hawaii who are indigent and do not have surviving immediate family members. This measure will allow the Office of Veterans' Services to ensure that these veterans receive a proper and dignified burial, befitting their service to their country.

Your Committee amended this measure by:

- (1) Correcting a reference in existing law to accurately refer to the United States Department of Veterans Affairs; and
- (2) Changing the effective date of the measure to January 1, 2055 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. 2139, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2139, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2433 Ways and Means on S.B. No. 2493**

The purpose of this measure is to extend the funding provided to the John A. Burns School of Medicine from the Hawaii Tobacco Settlement Special Fund, by changing the sunset date in Act 264, Session Laws of Hawaii 2007, to June 30, 2015.

Your Committee received comments in support of this measure from the University of Hawaii. The Hawaii Smokers Alliance and a concerned individual provided comments opposing this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the John A. Burns School of Medicine helps to alleviate the shortage of physicians in Hawaii by educating and training physicians who serve people in the community. Further, your Committee finds that allowing the funding from the Hawaii Tobacco Settlement Special Fund to continue until June 30, 2015, will assist the John A. Burns School of Medicine pay for its operating expenses without seeking moneys from the general fund.

Your Committee amended this measure by:

- (1) Correcting a statutory reference in Section 5 of the measure, to section 328L-2, Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2055, to facilitate further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2493, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2493, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2434 Ways and Means on S.B. No. 2600**

The purpose of this measure is to establish licensure requirements for the practice of respiratory care.

Your Committee received comments in support of the measure from the Hawaii Medical Association, the Hawaii Society for Respiratory Care, the Queen's Medical Center, and six individuals. Comments in opposition were submitted by the Department of Commerce and Consumer Affairs. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will protect patients from medical errors by ensuring that respiratory therapists practicing in the State meet certain minimum standards.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) Making numerous technical amendments, such as correcting a typographical error in a statutory cross-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 S.B. No. 2600, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2600, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2435 Ways and Means on S.B. No. 2026**

The purpose of this measure is to establish a parole service fee and a parole services special fund.

Specifically, this measure allows the Department of Public Safety to collect a \$60 parole service fee from an inmate who is paroled, provided certain conditions are met. Eighty per cent of the fee is to be deposited into the parole services special fund and twenty per cent is to be deposited into the crime victim compensation special fund. However, payment of court ordered restitution or a crime victim compensation fee would take priority over payment of the parole service fee.

Your Committee received written comments in support of this measure from the Hawaii Paroling Authority. Comments in opposition were received from the Department of Budget and Finance, the Drug Policy Forum of Hawaii, the Community Alliance on Prisons, and one individual. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the parole services fee will help defray the expenses of parole supervision while still providing support to victims of crime.

Upon further consideration, your Committee amended this measure by:

- (1) Removing all references to payment of the parole service fee within forty-eight months immediately following an inmate's release on parole;
- (2) Adding a provision that makes payment of the fee from the inmate's account maintained by the Department of Public Safety an approved expense;
- (3) Changing the effective date to July 1, 2050, to promote further discussion; and
- (4) Making technical nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2026, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2026, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Hemmings, Kokubun).

**SCRep. 2436 Ways and Means on S.B. No. 2885**

The purpose of this measure is to establish a health savings account task force to study the current state of health savings accounts in Hawaii and to encourage the expanded use of health savings accounts.

Specifically, this measure creates a health savings accounts assessment task force within the Department of Labor and Industrial Relations for administrative purposes to study the current state of health savings account options in Hawaii's health insurance market, establish a plan of action to expand the use of health savings accounts, identify and recruit potential health plans, and assess the potential economic impact of expanding health savings accounts in the State.

Your Committee received comments in support of this measure from the Department of Commerce and Consumer Affairs and the Hawaii Medical Association. Written comments may be reviewed on the Legislature's website.

Your Committee finds that health savings accounts are available alternate means of paying for health care that may generate significant health care cost savings for certain Hawaii residents. Your Committee also finds that health savings accounts options in Hawaii's health insurance market should be carefully examined to ensure compliance with Hawaii prepaid health care law.

Upon further consideration, your Committee has amended this measure by changing the effective date to July 1, 2050, to promote further discussion. Your Committee has also amended this measure by 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. 2885, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2885, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2437 Ways and Means on S.B. No. 2563**

The purpose of this measure is to increase the energy efficiency goal by adding the attainment of a statewide alternate fuel standard of thirty per cent by 2030, thus expanding the current goals for 2010, 2015, and 2020.

Your Committee finds that achieving a higher alternate fuel standard is important to the overall goal of state energy efficiency.

Your Committee amended this measure by changing the effective date of this measure to July 1, 2055, to facilitate further discussion, and by making technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2563, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2563, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2438 Ways and Means on S.B. No. 2661**

The purpose of this measure is to appropriate funds to satisfy all claims against the State, its officers, and its employees accrued during the past year.

Your Committee finds that this measure is necessary to satisfy all judgments, settlements, and miscellaneous payments that are pending against the State that require legislative approval.

Your Committee has amended this measure by including boilerplate provisions with respect to payment procedures and interest accrued on judgments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2661, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2661, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2439 Ways and Means on S.B. No. 2611**

The purpose of this measure is to require the Department of Health to provide a monthly list of death records, at no charge, to the real property assessment division of each county.

Your Committee received comments in support of this measure from the City and County of Honolulu Real Property Assessment Division and the Kauai County Real Property Assessment Division. The Department of Health submitted comments in opposition. Written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure proposes to continue an outdated and inefficient process to verify deaths in the State for administrative purposes. This measure also unnecessarily discloses confidential information.

Your Committee finds that the Department of Health currently utilizes a process known as the electronic verification of vital events. Because the process is simple, efficient, and accurate it is also used extensively by federal agencies. Your Committee believes that an electronic verification process would ensure efficient processing of vital statistics with minimal errors or unnecessary disclosures of confidential information and would benefit the Department of Health and the counties by using government resources more effectively.

Your Committee also finds that the cost to utilize an electronic verification of vital events system requires funding. The Department of Health proposes a nominal charge to address the expenses of providing the vital statistics to the counties. Your Committee believes that authorizing the Department of Health to charge a nominal fee is reasonable and justified.

Accordingly, your Committee has amended this measure by replacing its contents to:

- (1) Implement use of the electronic verification of vital events, as proposed by the Department of Health;
- (2) Authorize the Department of Health to charge an unspecified fee for verifications furnished to the counties;
- (3) Provide for the deposit of the verification fee and an unspecified portion of the fees for copies of certificates into the vital statistics improvement special fund; and
- (4) Change the effective date of this measure to July 1, 2009, 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. 2611, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2611, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2440 Ways and Means on S.B. No. 2729**

The purpose of this measure is to establish and maintain a single repository of immunization records to be designated as the Hawaii Immunization Registry.

Your Committee received written comments in support of this measure from the Hawaii Association of Health Plans, the Hawaii Association of Independent Schools, and the Hawaii Medical Service Association. The written comments may be reviewed on the Legislature's website.

Your Committee finds that establishing a single statewide repository of immunization records will aid in, and promote, the efficient and cost-effective screening, prevention, and control of vaccine preventable diseases, including pandemic influenza. Your Committee further finds that in the case of patients who change health care providers, the Hawaii Immunization Registry will be accessible by their new provider to ensure that patients receive the immunizations they need, while preventing the administration of unnecessary doses of vaccine.

Your Committee amended this measure by:

- (1) Including a savings clause provision as a new section of the bill; 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. 2729, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2729, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2441 Ways and Means on S.B. No. 2810**

The purpose of this measure is to authorize pharmacists to provide medication therapy management to qualified QUEST patients.

The measure also:

- (1) Requires each participating pharmacist to have a written collaborative pharmacy practice agreement on file for each qualified patient; and
- (2) Requires pharmacies to maintain prescription records electronically, including electronic acceptance and transmittal of prescription information.

Comments in opposition to this measure were received from the Board of Pharmacy. Your Committee also received comments on this measure from Walgreens. The written comments may be reviewed on the Legislature's website.

Your Committee finds that medication therapy management is an effective tool to lower health care costs and improve health outcomes by correcting the misuse of medication and providing patients with information to enable constructive participation in the patients' own health care.

Your Committee amended this measure by:

- (1) Deleting the provision that required every pharmacy and remote dispensing pharmacy to have the capacity to maintain prescription records electronically and to accept and transmit prescription information electronically;
- (2) Changing the effective date of this measure to July 1, 2055, to facilitate further discussion; 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. 2810, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2810, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2442 Ways and Means on S.B. No. 2919**

The purpose of this measure is to improve security at the Hawaii state hospital.

Specifically, this measure clarifies that the duties of the Department of Public Safety include providing security at the State's secure psychiatric rehabilitation facility located in Kaneohe, with the advice of the Director of Health. This measure also requires the Director of Health, in collaboration with the Director of Public Safety, to report to the Legislature on appropriate short- and long-range security measures and plans for the State's secure psychiatric rehabilitation facility located in Kaneohe.

Your Committee finds that patients at the Hawaii state hospital include forensic patients institutionalized by the courts whose escapes pose serious threats to the safety and well-being of residents of the State. Your Committee finds that this measure will help to address the security problems at the Hawaii state hospital.

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

- (1) Clarifying that the measure addresses security issues at the Hawaii state hospital;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 S.B. No. 2919, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2919, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2443 Ways and Means on S.B. No. 2685**

The purpose of this measure is to streamline the operations of the State in the disposition of unclaimed property.

More specifically, this measure:

- (1) Requires holders of unclaimed property to remit all property with their November 1 report;
- (2) Deletes reference to a specific number of days in which claims must be acted upon; and
- (3) Makes a technical correction to a reference to the unclaimed property trust fund.

Your Committee finds that this measure will provide for more efficient processing of claims and bring Hawaii's laws into conformity with general practice elsewhere.

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 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. 2685, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2685, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2444 Ways and Means on S.B. No. 2155**

The purpose of this measure is to authorize the Judiciary to impose a convenience fee on the user of a credit card, debit card, or other electronic payment service and to pay those fees to the service provider.

Your Committee received comments in support of this measure from the Judiciary. The written comments may be reviewed on the Legislature's website.

Your Committee finds that services fees for credit card, debit card, and other electronic payments are currently paid from the Judiciary's operating costs. The ability to pay fines, fees, and court costs by electronic means is a convenience offered to people who use those services. Your Committee finds that this measure will allow the Judiciary to recover the cost of electronic payment services and relieve the Judiciary's operating funds of this financial burden.

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. 2155, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2155, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Hemmings, Kokubun).

**SCRep. 2445 Ways and Means on S.B. No. 2454**

The purpose of this measure is to allow courts to charge fees, as established by court rules, for certified copies of pleadings, orders, transcripts, and other documents.

This measure also exempts state agencies from the payment of these fees and allows limits on the exemption to be established by the court rules.

Your Committee received written comments in support of this measure from the Judiciary. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Judiciary to consider imposing a fee to cover costs for the certification of copies of any pleadings, orders, transcripts, and other documents, which is currently prohibited.

Your Committee has amended this measure by 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. 2454, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2454, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2446 Ways and Means on S.B. No. 2659**

The purpose of this measure is to streamline the procurement process by repealing part XIII, chapter 103D, Hawaii Revised Statutes (procurement code), and to reenact the substance of its provisions regarding procurement of recycled oil products as a new section in part X, chapter 103D, Hawaii Revised Statutes.

More specifically, this measure:

- (1) Provides a preference in the Hawaii Procurement Code for the purchase of lubricating oil and industrial oil that contains the greatest percentage of recycled oil;
- (2) Allows purchase of oil with a lower percentage of recycled oil if the oil with a greater percentage of recycled oil is not readily available, does not meet performance specifications, costs more than virgin oil, or is likely to breach a vehicle or machine warranty requiring virgin oil;
- (3) Authorizes establishment of an affirmative program for procuring oils containing the greatest percentage of recycled oils;
- (4) Provides that contracts for the purchase of diesel fuel or boiler fuel may be awarded to the lowest responsible bidder, with preference given to bids for biofuels or blends of biofuels and petroleum fuel; and

- (5) Adds seven new definitions to section 103D-1001, Hawaii Revised Statutes, to add further clarity and consistency to chapter 103D, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Requiring that contracts for the purchase of diesel fuel or boiler fuel be awarded to the lowest responsible bidder, with preference given to bids for biofuels or blends of biofuels and petroleum fuel; and
- (2) Deleting the definition of "soil enhancement product" contained in subsection 103D-1002(k), Hawaii Revised Statutes, because the same definition is being added as a new definition applicable to all procurement code provisions relating to preferences.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2659, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2659, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2447 Ways and Means on S.B. No. 2786**

The purpose of this measure is to require the Department of Education to establish and implement a searchable budget database website that will be made available to the public no later than July 1, 2011.

Your Committee finds that this measure will improve the transparency of operations within the Department of Education. Your Committee further finds that implementation of a searchable budget database website that is available to the public will improve the financial accountability of the Department of Education.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on the measure; 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. 2786, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2786, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Kidani). Noes, none. Excused, 1 (Hemmings).

**SCRep. 2448 Ways and Means on S.B. No. 1309**

The purpose of this measure is to appropriate funds to the Waianae Coast Comprehensive Health Center for emergency medical services.

Your Committee received comments in support of this measure from the Waianae Coast Comprehensive Health Center and the Hawaii Primary Care Association. The Department of the Attorney General submitted comments. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the Waianae Coast Comprehensive Health Center is the only medical service facility on the leeward coast of Oahu. The health center is a vital provider of emergency medical services to residents in the area. Your Committee believes that an appropriation to the Waianae Coast Comprehensive Health Center will protect the health and safety of leeward coast residents by allowing the center to provide twenty-four hour medical services to this community.

Your Committee has amended this measure by:

- (1) Changing the effective date of this measure to July 1, 2099, to facilitate further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1309, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1309, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2449 Ways and Means on S.B. No. 2277**

The purpose of this measure is to remove most procedural requirements preliminary to hearings for eviction of tenants from public housing projects.

More specifically, this measure:

- (1) Repeals the requirement that the Hawaii Public Housing Authority meet with tenants delinquent in the payment of rent prior to initiating eviction proceedings;
- (2) Requires the Hawaii Public Housing Authority to instead provide written notice in accordance with federal law; and
- (3) Clarifies that evictions for federal low-income housing tenants must be conducted by an eviction board.

Your Committee received comments in support of this measure from the Hawaii Public Housing Authority. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Public Housing Authority's current eviction process is inefficient and exceeds federal requirements. Your Committee believes that conforming the Hawaii Public Housing Authority's eviction process to federal law for public housing projects will streamline the eviction process and allow the authority to efficiently provide housing for other needy individuals and families waiting for a unit.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2009, to facilitate further discussion on the measure; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2277, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2277, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2450 Ways and Means on S.B. No. 2393**

The purpose of this measure is to appropriate funds for the collective bargaining cost items of employer contributions to the Hawaii Employer Union Health Benefits Trust Fund for collective bargaining units (2), (3), (4), (6), (8), (9), and (13).

This measure sets the employer contribution to the Hawaii Employer Union Health Benefits Trust Fund at sixty per cent of the premium cost, which will return health plan cost sharing between the employer and employees to previous levels. Your Committee finds that the employer contribution rates have not been finalized through negotiations between the State and the exclusive representatives, and that the parties have agreed to submit the issue to the Legislature for resolution.

Your Committee has amended this measure by changing the effective date to July 1, 2009, to facilitate further discussion on the measure, and by making a technical nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2393, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2393, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2451 Ways and Means on S.B. No. 2884**

The purpose of this measure is to appropriate moneys to fund collective bargaining cost items for collective bargaining unit (10) relating to the employer contributions to the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee received written comments in support of this measure from the United Public Workers, AFSCME, Local 646, AFL-CIO. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure appropriates moneys to fund collective bargaining cost items for collective bargaining unit (10) relating to employer contributions to the Hawaii Employer-Union Health Benefits Trust Fund that have not been finalized or agreed upon through state and union negotiations. Your Committee further finds that the measure would establish the employer health insurance premium contribution rate at sixty per cent of the premium cost, which would return the sharing of health plan premium costs between the State and employees of bargaining unit (10) to a more historical level.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to 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. 2884, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2884, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2452 Ways and Means on S.B. No. 2691**

The purpose of this measure is to require that, beginning March 1, 2011, all retirees and beneficiaries of the state Employees' Retirement System be paid by direct deposit.

Your Committee received written comments in support of this measure from the State of Hawaii Employees' Retirement System. Comments in opposition to the measure were received from the Hawaii Government Employees Association. The written comments may be reviewed on the Legislature's website.

Your Committee finds that requiring direct deposit for payment of benefits for retirees and beneficiaries will streamline the processing of payments and will provide cost savings to the State in the form of reduced postage, check printing and imaging costs, and bank 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 S.B. No. 2691, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2453 Ways and Means on S.B. No. 2205**

The purpose of this measure is to allow individual beneficiaries enrolled in a Hawaii Employer Union Health Benefits Trust Fund health benefits plan to opt out of any plan requirement to purchase prescriptions from a mail order pharmacy.

Your Committee received written comments in support of this measure from two concerned individuals. The written comments may be reviewed on the Legislature's website.

Your Committee finds that individual beneficiaries enrolled in a Hawaii Employer Union Health Benefits Trust Fund health benefits plan have recently been required by the plan to purchase prescription medications from mail order pharmacies. A number of beneficiaries have experienced long delays, increased costs, and frustration over having to meet this requirement. Your Committee finds that allowing beneficiaries to opt out of this requirement would permit those beneficiaries to use local retail pharmacies where they may purchase their medications without unnecessary delay and receive advice in person from a qualified pharmacist. Your Committee acknowledges the cost-saving intent behind requiring beneficiaries to purchase prescription medications from mail-order pharmacies, but the Committee feels that savings should not come at the expense of beneficiaries' health or reliable customer service, especially when other in-state prescription provider options are available.

Your Committee has amended this measure by 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. 2205, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2205, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2454 Ways and Means on S.B. No. 2529**

The purpose of this measure is to establish a Hawaii health care claims uniform reporting and evaluation system.

This measure also establishes a Hawaii health care claims special fund into which payment of claim fees, penalties, and other proceeds will be deposited. Additionally, the measure establishes a temporary health care claims uniform reporting and evaluating task force to review policies and procedures of the system and make recommendations to improve it.

Your Committee received comments supporting this measure from the Hawaii Association of Health Plans, the Hawaii Medical Association, the Hawaii Chapter of the American Physical Therapy Association, and the Hawaii Medical Service Association. Written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will provide transparency to improve health care claims reporting and contribute to improvement in the quality and cost-efficiency of health care in the State.

Upon further consideration, your Committee amended this measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussion; and
- (2) 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. 2529, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2529, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2455 Ways and Means on S.B. No. 2267**

The purpose of this measure is to authorize the Disability and Communication Access Board to charge fees for its review of construction plans for public buildings, facilities, and sites to ensure that they are accessible to persons with disabilities.

Your Committee received written comments in support of this measure from the Disability and Communication Access Board and two individuals. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the board is currently required by law to review all construction plans for state and county buildings and facilities to ensure compliance with applicable federal laws. The board, however, does not charge a fee for this service. Authorizing the board to charge fees for its reviews will ensure the viability of the review process and provide the board with a revenue stream sufficient to offset the cost of 5.5 staff positions.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on the 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. 2267, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2267, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2456 Ways and Means on S.B. No. 2103**

The purpose of this measure is to extend the appropriation of state matching funds for the federal disproportionate share hospital allowance by making state matching funds appropriated for the 2009-2010 fiscal year by Act 23, Special Session Laws of Hawaii 2009, available for fiscal biennium 2009-2011.

Your Committee received written comments in support of this measure from the Chamber of Commerce of Hawaii, Hawaii Pacific Health, Healthcare Association of Hawaii, Hawaii Medical Service Association, and Queen's Medical Center. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will extend the appropriation of state matching funds authorized by Act 23, Special Session Laws of Hawaii 2009, and preserve the availability of federal Medicaid disproportionate share hospital funds through the 2010-2011 fiscal year.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to promote further discussion on the measure; 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. 2103, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2103, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2457 Ways and Means on S.B. No. 2274**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawaii Pacific Health in the acquisition or construction of health care facilities.

Your Committee received written comments in support of the measure from Hawaii Pacific Health and the Healthcare Association of Hawaii. The written comments may be reviewed on the Legislature's website.

Your Committee finds that proceeds from the bond issuance will assist Hawaii Pacific Health with the renovation of its hospital facilities and the purchase of medical equipment, thereby enabling it to provide health care services and meet the needs of patients in a cost-effective manner.

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 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. 2274, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2274, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2458 Ways and Means on S.B. No. 2828**

The purpose of this measure is to clarify the calculation and determination of school impact fees for financing new construction or expanding existing Department of Education schools or facilities.

Specifically, this measure:

- (1) Requires the Department of Education to update and use current data to calculate impact fees;
- (2) Requires the amount of land component impact fees to be based upon each new residential development's proportionate share of the need to provide new public school sites and to avoid inconsistent fees among other developments;
- (3) Clarifies the definition of impact fees and other related terms;
- (4) Clarifies the analysis required to set and maintain adequate school impact fees;
- (5) Provides a formula to calculate the land component and construction cost impact fee; and
- (6) Clarifies the use of credits for excess contributions of impact fees.

Your Committee finds that school impact fees are necessary if developers are to contribute to the need for adequate public schools and facilities needed by people residing in homes and communities built by the developer. Your Committee also finds that interested stakeholders have been working diligently to resolve school impact fee issues. Your Committee believes that clarifying and



strengthening the current school impact fee laws will result in the equitable imposition of school impact fees and benefit all of the interested parties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2828, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2459 Ways and Means on S.B. No. 2578**

The purpose of this measure is to establish a refundable state ohana residential housing income tax credit for qualified buyers of new homes that is similar to the federal income tax credit.

Specifically, this state income tax credit is limited to qualified taxpayers who purchase a qualified principal residence on or after April 1, 2010, and before January 1, 2012. The amount of the tax credit is the lesser of \$6,000 or two per cent of the purchase price of the qualified principal residence, payable in two equal installments over the immediately following two taxable years.

Your Committee received written comments in opposition to this measure from the Department of Taxation. Written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will stimulate the demand side of new home purchasing in the State by providing financial incentives to homebuyers. This is especially important as the federal tax incentive will soon expire. The state residential housing income tax credit will provide a significant boost to a recovery from the current economic crisis faced by the construction industry and the overall state economy by stimulating spending, creating new construction jobs, and increasing the supply of affordable housing in Hawaii.

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

- (1) Changing the dollar amount of the tax credit to an unspecified amount;
- (2) Changing the percentage of the new home purchase price that is available as a tax credit to an unspecified percentage;
- (3) Changing the name of the tax credit to the "Hawaii residential housing income tax credit" to avoid confusion as to the purpose of the tax credit;
- (4) Changing the effective date to July 1, 2050, to promote further discussion; and
- (5) Making technical nonsubstantive amendments for the purposes of accuracy, 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. 2578, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2578, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2460 Ways and Means on S.B. No. 2649**

The purpose of this measure is to extend the sunset date for appropriations to the University of Hawaii for the construction and repair of student housing.

Your Committee received comments from the University of Hawaii in support of this measure. Written comments submitted to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the University of Hawaii's student housing facilities are critical to attracting students to the University and to preserve an active campus life. Your Committee also finds that the University of Hawaii has made significant improvements to its student housing. Currently, appropriations made for the construction and repair of student housing pursuant to Act 138, Session Laws of Hawaii 2005, will lapse on June 30, 2010. Your Committee believes that extending the lapse date until June 30, 2012, will allow the University of Hawaii to continue to improve and maintain its student housing.

Your Committee has amended this measure by changing the effective to June 29, 2010, to ensure that the measure takes effect prior to the lapse date of June 30, 2010, in Act 138, Session Laws of Hawaii 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 is in accord with the intent and purpose of S.B. No. 2649, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2649, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Galuteria, Hee, Tokuda).

**SCRep. 2461 Ways and Means on S.B. No. 2500**

The purpose of this measure is to require the Auditor to conduct a financial and management audit of the Office of Hawaiian Affairs and report its findings and recommendations to the legislature.

Your Committee received comments opposing this measure from the Office of Hawaiian Affairs. The written comments may be reviewed on the Legislature's website.

Your Committee finds that a financial and management audit of the Office of Hawaiian Affairs is needed to ensure that the office is properly carrying out its duties and responsibilities. Your Committee further finds that an audit would address public concerns regarding the Office of Hawaiian Affairs' use of funds and management decisions.

Your Committee amended this measure by:

- (1) Requiring the Office of Hawaiian Affairs to reimburse the Auditor for the cost of the audit and that the reimbursement shall be made from the general funds of the Office of Hawaiian Affairs; and
- (2) Clarifying that the Auditor's report shall be submitted no later than twenty days prior the convening of the regular session of 2011.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2500, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2500, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8; Ayes with Reservations (Chun Oakland). Noes, none. Excused, 4 (Fukunaga, Hemmings, Kidani, Tokuda).

**SCRep. 2462 Ways and Means on S.B. No. 2903**

The purpose of this measure is to further promote the development of Hawaiian language education in the State.

Specifically, this measure requires the Hawaiian Language College at the University of Hilo, the Department of Education, and the Charter School Administrative Office to enter into a five year agreement for the Hawaiian Language College to provide specified Hawaiian language support services to the Nawahiokalani'opu'u School and other laboratory schools.

Your Committee received comments in support of this measure from the University of Hawaii. Comments were also received from Ke Kula 'o Nawahiokalani 'Opu'u laboratory school. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the provision of Hawaiian language translation of certain curricula and other written materials and other support services relating to Hawaiian language education will help continue the success of the Nawahiokalani'opu'u School and other laboratory schools as well as preserve the Hawaiian language.

Your Committee has amended this measure by 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. 2903, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2903, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hemmings, Kidani, Tokuda).

**SCRep. 2463 Ways and Means on S.B. No. 2385**

The purpose of this measure is to repeal the sunset date of the provision authorizing the University of Hawai'i's fiscal autonomy.

The measure also:

- (1) Removes the time limit that the University of Hawai'i has to install a different accounting system;
- (2) Permanently extends the Comptroller's authority to request the University of Hawai'i to provide information for the preparation of income and expenditure statements;
- (3) Extends the University of Hawai'i's authority to submit proposed new forms or changes to forms for review and approval with respect to uniform business and accounting forms;
- (4) Authorizes the University of Hawai'i's chief financial officer's to approve assignment of moneys to assignees; and
- (6) Permanently extends the requirement that the University of Hawai'i report to the Comptroller transactions involving moneys held outside of the state treasury by the University of Hawai'i.

Your Committee received written comments in support of this measure from the University of Hawai'i. Written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will permanently extend the University of Hawaii's fiscal flexibility and allow the University to efficiently administer its financial operations.

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. 2385, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2385, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Galuteria, Hee, Tokuda).

**SCRep. 2464 Ways and Means on S.B. No. 2757**

The purpose of this measure is to extend the term of a commercial driver's license for persons twenty-one years through seventy-one years of age from six years to eight years.

Your Committee finds that this measure is needed to prepare for the federal REAL ID Act, which is a nationwide effort to improve the integrity and security of state-issued driver licenses and identification cards to help fight terrorism and reduce fraud. This measure will also achieve greater consistency between the various identification cards and licenses in the State.

Your Committee received comments in support of the measure from the Department of Transportation and the City and County of Honolulu's Division of Motor Vehicles, Licensing and Permits Administration. The written comments may be reviewed on the Legislature's website.

Your committee has amended this measure by changing the effective date to September 1, 2050, 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. 2757, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2757, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2465 Ways and Means on S.B. No. 2236**

The purpose of this measure is to impose fines for the failure to pay, bill, or remit the inspection, quarantine, and eradication service fee to the Department of Agriculture.

Your Committee received comments in support of this measure from Alexander & Baldwin, the Matson Navigation Company, the Hawaii Crop Improvement Association, The Nature Conservancy, and the Waimanalo Agriculture Association. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Department of Agriculture is having difficulty collecting inspection fees associated with its inspection, quarantine, and eradication services. Your Committee believes that this measure will assist the Department in addressing the gaps in the fee collection process.

Your Committee has amended this measure by clarifying that the fine will be imposed for every one thousand pounds of freight brought into the State, to be consistent with section 150A-5.3, Hawaii Revised Statutes, which establishes the inspection, quarantine, and eradication service fee.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2236, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2236, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hemmings, Kidani, Tokuda).

**SCRep. 2466 Ways and Means on S.B. No. 2523**

The purpose of this measure is to exempt certain types of bulk freight from fees for inspection, quarantine, and eradication of invasive species contained in the freight.

More specifically, this measure defines liquid bulk freight, cement bulk freight, coal bulk freight, and aggregate bulk freight, and exempts those types of bulk freight from the inspection, quarantine, and eradication service fee and charge.

Your Committee finds that the Agricultural Risk Protection Act of 2000, expressly preempts states from regulating goods for invasive species when in foreign commerce. Your Committee further finds that this measure makes state law consistent with federal law.

Your Committee received comments in support of this measure from AES Hawaii, Inc., Grace Pacific Corporation, Hawaiian Cement, and Waimanalo Agricultural Association. Alexander & Baldwin, Inc. and Matson Navigation Company, Inc., and The Nature Conservancy submitted comments in opposition to this measure. The Coordinating Group on Alien Pest Species submitted comments. Written comments received by the Committee may be reviewed on the Legislature's website.

Your Committee amended this measure by:

- (1) Correcting the reference to the Agricultural Risk Protection Act of 2000;
- (2) Deleting proposed section 150A-5.3(c), Hawaii Revised Statutes, which is redundant; 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. 2523, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2523, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hemmings, Kidani, Tokuda).

**SCRep. 2467 Ways and Means on S.B. No. 2531**

The purpose of this measure is to require the State Historic Preservation Division of the Department of Land and Natural Resources to reconvene and expand the membership of its 2006 archaeological working group to consider the licensing of archaeologists and related concerns.

Your Committee received comments on the measure from the Department of Land and Natural Resources and the Society for Hawaiian Archaeology. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the reconvening and expanding of the working group will provide an open forum to examine the feasibility and merits of licensing archaeologists and ensure the quality of archaeological work performed in the State.

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 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. 2531, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2531, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hemmings, Kidani, Tokuda).

**SCRep. 2468 Ways and Means on S.B. No. 2863**

The purpose of this measure is to require the payment of judgments payable to the State or a county, as well as delinquent taxes and penalties, a condition precedent to the registration and renewal of a motor vehicle.

Furthermore, this measure exempts the State and counties from paying fees for any entry made in the tax lien and encumbrance record.

Your Committee received comments in support of the measure from the City and County of Honolulu, Division of Motor Vehicles. The written comments may be reviewed on the Legislature's website.

Your Committee finds that placing encumbrances upon motor vehicles will significantly increase the likelihood of recovering outstanding debts owed to the State or a county. Furthermore, exempting the State and counties from the fee requirement will further facilitate the recovery of those debts.

Your Committee has amended this measure by making 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. 2863, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2863, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2469 Ways and Means on S.B. No. 2780**

The purpose of this measure is to protect agricultural lands rated class A or B and provide for the mandatory extension of certain agricultural leases.

Specifically, this measure requires an extension of at least seventy-five per cent of the original lease term when a lessee renegotiates a lease and makes or seeks to make substantial improvements on class A or B rated agricultural lands in a county with a population of over five hundred thousand residents. In addition, this measure allows for a shorter term or termination of a lease only if offered by the lessee and requires that any additional terms and conditions of the lease be mutually agreed upon. To further ensure the protection of such A and B rated lands, this measure prohibits any boundary amendment of any A or B agricultural designated land:

- (1) Where a farming operation is being conducted on the land;
- (2) The land is important for agriculture based upon the stock of similarly suited land in the area;
- (3) A boundary amendment would harm productivity or viability of existing agricultural activity in the area; and
- (4) A boundary amendment would cause fragmentation of or intrusion of nonagricultural uses into largely intact areas of agriculturally active lands.

Your Committee received written comments in support of this measure from the Waimanalo Agricultural Association. Comments in opposition were received from the Department of Business, Economic Development, and Tourism's Office of Planning; the City and County of Honolulu's Department of Planning and Permitting; D.R. Horton - Schuler Homes; and four individuals. Written comments were received from the Department of Agriculture and the Land Use Commission. The written comments may be viewed on the Legislature's website.

Your Committee finds that the inventory of agricultural land within the State is predetermined and once the land is developed, it can never be used for agriculture again. Your Committee believes that prime agricultural land is vital to the State and should be protected and preserved.

Your Committee also finds that prime agricultural land on Oahu is declining rapidly due to the construction of housing and other projects. With projects scheduled to be built on prime agricultural lands in Mokuleia, Kahuku, and the Ewa plain, the need to protect and preserve the State's fertile agricultural lands is critical.

This measure will ensure that prime agricultural land on Oahu will be afforded due preference to recognize and support ongoing farming operations.

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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2780, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2780, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hemmings, Kidani, Tokuda).

**SCRep. 2470 Ways and Means on S.B. No. 2676**

The purpose of this measure is to provide sufficient funds to the Aloha Tower Development Corporation to settle a claim by Kenneth H. Hughes, Inc. against the Corporation.

Specifically, this measure makes an emergency appropriation of \$900,000 out of the Aloha Tower fund, which has the effect of increasing the Aloha Tower Development Corporation's budget expenditure ceiling by \$900,000 for fiscal year 2009-2010.

Your Committee wishes to clarify that the intent of this measure is to allow a one-time only increase in the budget expenditure ceiling of the Aloha Tower Development Corporation by making the emergency appropriation to satisfy the terms of the settlement agreement.

Accordingly, your Committee has amended this measure by adding appropriate clarifying language relating to the one time only ceiling increase. 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. 2676, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2676, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hemmings, Kidani, Tokuda).

**SCRep. 2471 Ways and Means on S.B. No. 2391**

The purpose of this measure is to restore the operating budget of the Office of Hawaiian Affairs for fiscal years 2009-2010 and 2010-2011.

Specifically, this measure rectifies inadvertent deletions made on April 30, 2009, by the House and Senate Conference Committee on H.B. No. 900, S.D. 1, Regular Session of 2009, relating to the operating budget of the Office of Hawaiian Affairs to reflect the agreement reached by the Conference Committee in 2009. The trust funds appropriated for beneficiary advocacy are conditioned on a matching trust fund expenditure by the Department of Hawaiian Home Lands.

The Office of Hawaiian Affairs submitted comments in support of this measure. The written comments may be reviewed on the Legislature's website.

Your Committee has made technical amendments 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 S.B. No. 2391, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2391, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hemmings, Kidani, Tokuda).

**SCRep. 2472 Ways and Means on S.B. No. 2387**

The purpose of this measure is to allow the Board of Regents of the University of Hawaii to assess fees for parking on roadways and in parking areas under its jurisdiction.

Further, this measure allows the Board of Regents to adopt rules related to the assessment of parking fees at an open meeting subject to the open meetings law, and exempts the board of regents from the public notice, public hearing, and gubernatorial approval requirements of the Administrative Procedure Act.

Your Committee finds that this measure will allow the efficient administration of campus parking fees, while ensuring that public notice is given and the University of Hawaii community and surrounding communities are afforded an opportunity to participate in the process. Your Committee further finds that this measure will enable the Board of Regents to establish parking fees using the same process that currently applies to most other fees and charges imposed by the university, including tuition.

Your Committee received written comments in support of this measure from the University of Hawaii System and written comments in opposition to this measure from one individual. Written comments on the measure were submitted by a member of the University of Hawaii Student Caucus and the Associated Students of the University of Hawaii. The written comments may be reviewed on the Legislature's website.

Your Committee amended this measure by making technical nonsubstantive amendments to comport with standard 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. 2387, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2387, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Galuteria, Hee, Tokuda).

**SCRep. 2473 Ways and Means on S.B. No. 2840**

The purpose of this measure is to require that residents of Hawaii make up at least eighty per cent of the labor force working on certain public works projects and construction procurement contracts.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will level the playing field for Hawaii residents and remedy the negative effects of non-resident employment on public works projects and construction procurement contracts, while preserving contractors' flexibility to employ non-residents when necessary. This measure is substantially related to the State's important goal of reducing unemployment.

Your Committee has amended this measure by:

- (1) Requiring contractors to provide written proof of compliance with the labor force requirement, upon request from the procurement officer;
- (2) Changing its effective date to July 1, 2050, to facilitate further discussion of this measure; 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. 2840, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2840, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2474 Ways and Means on S.B. No. 2604**

The purpose of this measure is to eliminate the requirement that the Director of Health convene an advisory group to strategically plan the development and implementation of prevention programs and make recommendations regarding the expenditure of moneys in the tobacco prevention and control trust fund.

Specifically, this measure transfer responsibility of the advisory group to the Tobacco Prevention and Control Advisory Board, changes the composition of the Tobacco Prevention and Control Advisory Board, and makes the advice of the Board to the department prescriptive.

The Department of Health submitted comments in opposition to this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure provides stricter oversight of the Tobacco Control and Prevention Trust Fund, which appears warranted. A lack of clarity apparently stalled funding for tobacco prevention and control programs which resulted in the State's ranking as having the fourth lowest smoking rate in the nation falling to the fifth lowest smoking rate.

Your Committee amended this measure by:

- (1) Changing the effective date of this measure to July 1, 2055, 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. 2604, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2604, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2475 Ways and Means on S.B. No. 2819**

The purpose of this measure is to meet federal requirements relating to mailing absentee ballots to certain voters.

The bill accomplishes this by changing the date of the primary election to the second Saturday of August. This measure also changes the deadline for filing nomination papers to the first Tuesday in June.

Your Committee received comments in support of this measure from The League of Women Voters of Hawaii. Written comments received by the Committee may be viewed on the Legislature's website.

Your Committee finds that lengthening the time between the state primary and general elections will allow the State to comply with the National Defense Authorization Act for Fiscal Year 2010, which requires states to mail absentee ballots to uniformed and overseas voters no later than forty-five days prior to the elections for federal office. Current law, which allows for only forty-five days between primary and general elections, makes it impossible for the State to meet the federal deadlines.

Your Committee 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. 2819, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2819, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2476 Ways and Means on S.B. No. 2842**

The purpose of this measure is to allow the establishment of perpetual trusts that are protected against federal estate taxes and the claims of certain creditors.

Your Committee received written comments in support of this measure from First Hawaiian Bank and one concerned individual. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow wealthy individuals to establish certain types of trusts within this State to protect a certain percentage of their assets. The measure will also attract millions of dollars in trust assets for deposit in the State's financial institutions and will generate investment, tax revenue, and white-collar financial jobs at no cost to the State.

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. 2842, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2842, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2477 Ways and Means on S.B. No. 2809**

The purpose of this measure is to appropriate funds to ensure adequate funding for the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, including funding to fully implement the reorganization of both agencies mandated by Act 177 and Act 183, Session Laws of Hawaii 2007.

Your Committee received comments in support of this measure from the Hawaii Energy Policy Forum and the Hawaiian Electric Company, Inc. Written comments may be viewed on the Legislature's website.

Your Committee finds that the reorganization of the Public Utilities Commission and the division of consumer advocacy provided by Act 177 and Act 183, Session Laws of Hawaii 2007, is essential to sufficiently regulate Hawaii's public utilities and to provide effective advocacy for the State's consumers. Moreover, your Committee recognizes that it is especially important for these agencies to have sufficient resources to effectively and efficiently oversee Hawaii's transition from over-reliance on imported fossil fuels to energy efficiency and increased use of renewable energy.

Your Committee further finds that this measure will ensure that the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs will be provided sufficient funding to allow those agencies to perform their statutory duties and to fully enact the reorganization plans required by Acts 177 and 183.

Upon further consideration, your Committee has amended this measure by changing the effective date to July 1, 2050, to promote 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. 2809, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2809, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2478 Ways and Means on S.B. No. 2490**

The purpose of this measure is to appropriate funds from the community health centers special fund for use by community health centers in the State.

This measure also requires the Governor to release the revenues in the community health centers special fund for use in fiscal year 2010-2011.

Your Committee received comments in support of this measure from the Chamber of Commerce of Hawaii, the Hawaii Primary Care Association, the Lanai Community Health Center, the Waimanalo Health Center, and one individual. Written comments may be viewed on the Legislature's website.

Your Committee finds that the operation of the community health centers in Hawaii is essential, especially for lower-income and uninsured residents of the State.

Upon further consideration, your Committee has amended this measure to change the effective date to July 1, 2050, to promote further discussion. Your Committee also made technical nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2490, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2479 Ways and Means on S.B. No. 2533**

The purpose of this measure is to require the State Auditor to conduct a financial and management audit of the Department of Public Safety's contracts with the Corrections Corporation of America and Federal Detention Center.

Your Committee received comments in support of this measure from the Community Alliance on Prisons, the Drug Policy Forum of Hawaii, and a concerned individual. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the Kulani correctional facility is important to the rehabilitation of state criminal offenders. The Kulani correctional facility is the only state facility with a sex offender treatment program for minimum-custody sex offenders. The facility also provides services to the prison population not found at other state facilities. Your Committee also finds that the Governor plans to close the Kulani correctional facility to address the State's growing budget deficit.

Your Committee finds that the closure of the Kulani correctional facility raises concerns over the cost-effectiveness of the Department of Public Safety's policy of contracting with the Corrections Corporation of America to house a substantial number of Hawaii inmates. Your Committee believes that the Department's contracts with the Corrections Corporation of America and the Federal Detention Center should be reviewed to ensure that the State maximizes the impact of its limited funds and use of existing prison facilities.

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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2533, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2533, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2480 Ways and Means on S.B. No. 2213**

The purpose of this measure is to provide that each county may establish compassion centers to dispense medical marijuana to qualifying patients and caregivers registered with the Department of Public Safety.

The measure also would impose, on each ounce of marijuana sold by a compassion center, a general excise tax of \$30, to be divided between the State and the county where the sale occurred.

Your Committee received written comments in support of this measure from the American Civil Liberties Union and Students for Sensible Drug Policy. Comments in opposition were submitted by the County of Hawaii Police Department and the Department of the Prosecuting Attorney for the City and County of Honolulu. One concerned individual submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure furthers the intent of the Medical Use of Marijuana law, enacted by Act 228, Session Laws of Hawaii 2000, and codified as part IX, chapter 329, Hawaii Revised Statutes, by providing qualifying patients and their registered caregivers with a safe and legal method of obtaining marijuana for medical purposes. In addition, this measure would provide an increase in state and county revenues.

Your Committee has amended this measure by:

- (1) Requiring each compassion center to register annually with the Department of Public Safety;
- (2) Requiring each compassion center to pay an annual registration fee of \$5,000, and providing that the State and the county share the revenue equally;
- (3) Authorizing the recognition of medical marijuana registration certificates from other jurisdictions under certain circumstances;
- (4) Changing the effective date of the measure to facilitate discussion; and
- (5) 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. 2213, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2213, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10; Ayes with Reservations (Tsutsui). Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2481 Ways and Means on S.B. No. 2544**

The purpose of this measure is to extend from June 30, 2010, to June 28, 2015, the authorization for the Department of Budget and Finance to issue special purpose revenue bonds to finance the Honolulu Seawater Air Conditioning, LLC, projects on Oahu.

Your Committee finds that in 2005, the Legislature authorized up to \$48,000,000 in special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC. The project to be funded by the bonds is a renewable energy project that demonstrates the State's commitment to a sustainable and energy efficient future. Since that time, the financial markets have become volatile, making the sale of bonds difficult and costly to the State. Your Committee believes that by extending the time during which the Department of Budget

and Finance may issue the special purpose revenue bonds, the State will be able to sell the bonds at a future date when the financial markets recover.

Your Committee has amended this measure by changing its effective date to June 29, 2099, 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. 2544, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2544, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2482 Ways and Means on S.B. No. 2461**

The purpose of this measure is to raise the rental motor vehicle customer facility charge.

Specifically, the measure:

- (1) Beginning September 1, 2010, increases the rental motor vehicle customer facility charge from \$1 to \$4.50 per day;
- (2) Requires the Department of Transportation to collect the fee for at least twenty years;
- (3) Raises the ceiling of the rental motor vehicle customer facility special fund from \$25,000,000 to \$500,000,000;
- (4) Appropriates \$320,000,000 from the rental motor vehicle customer facility charge special fund for rental motor vehicle related expenses at the Honolulu international airport and the Kahului airport; and
- (5) Requires all unencumbered balances of appropriations made pursuant to Act 226, Session Laws of Hawaii 2008, to lapse into the rental motor vehicle customer facility charge special fund on June 30, 2011.

Your Committee finds that facility improvements to motor vehicle rental concessions at the State's public airports are now necessary. Over time, the motor vehicle rental facilities have deteriorated and not kept pace with the demands of visitors and residents who use motor vehicle rental services.

Your Committee also finds that in 2008, the Legislature established a rental motor vehicle customer facility charge of \$1 per day. The charges, however, have not generated the revenue necessary to finance related construction projects. Your Committee believes that an increase of the rental motor vehicle customer facility charge will strongly support rental motor vehicle facility construction projects and save as much as \$300,000,000 in finance costs.

Your Committee has amended this measure by:

- (1) Codifying the increase of the rental motor vehicle customer facility charge from \$1 to \$4.50 per day;
- (2) Clarifying the department's authority to establish, levy, assess, and collect rental motor vehicle customer facility charges without the prior necessity of adopting rules;
- (3) Repealing the provisions in section 9 of Act 226, Session Laws of Hawaii 2008, relating to the rental motor vehicle customer facility charge, which in part, repeals the ceiling on the rental motor vehicle customer facility special fund; and
- (4) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2461, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2461, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2483 Ways and Means on S.B. No. 2231**

The purpose of this measure is to encourage the deployment of electric vehicles in the State.

Specifically, this measure exempts from the general excise tax electric vehicles and electric charging systems purchased or placed in service after July 1, 2010, to before January 1, 2020.

Your Committee received comments from the Hawaiian Electric Company, Inc. and the Tax Foundation of Hawaii. Written comments may be viewed on the Legislature's website.

Your Committee finds that this measure will contribute to reducing the impact on Hawaii of oil price volatility, provide a measure of energy security, provide economic diversification, reduce air pollution, and stimulate Hawaii's economy.

Upon further consideration, your Committee has amended this measure by delaying the start date of the general excise tax exemption from July 1, 2010, to July 1, 2015, and by changing the effective date of the bill itself to July 1, 2015. 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. 2231, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2231, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2484 Ways and Means on S.B. No. 2270**

The purpose of this measure is to ensure fair compensation to:

- (1) Acute care hospitals that provide care to Medicaid patients; and
- (2) Long-term care facilities that treat patients with medically complex conditions who were previously in acute care hospitals.

This measure also appropriates an unspecified amount to fund the required reimbursements.

Your Committee received comments in support of this measure from the Chamber of Commerce of Hawaii, the Healthcare Association of Hawaii, and the Queen's Medical Center. Written comments may be viewed on the Legislature's website.

Your Committee finds that Medicaid reimbursement rates for payments to acute care hospitals and long-term care facilities are based on the level of care needed. However, because of the chronic shortage of long-term care beds, many patients in acute care hospitals are waitlisted for admission to long-term care facilities. The lower reimbursement rates paid for these patients creates significant losses for both acute care hospitals and long-term care facilities. This measure is intended to alleviate the financial burden imposed by these delays.

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

- (1) Changing the effective date to July 1, 2050, to promote 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 S.B. No. 2270, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2270, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2485 (Majority) Ways and Means on S.B. No. 2124**

The purpose of this measure is to appropriate moneys from the Hawaii hurricane relief fund to restore the remaining public school instructional days for the 2009-2010 and 2010-2011 school years that will otherwise be lost to furloughs pursuant to a collective bargaining agreement with the Hawaii State Teachers Association.

Your Committee finds that a total of \$86,100,000 is required to restore the remaining furlough days scheduled for the 2009-2010 and 2010-2011 school years. Your Committee also finds that if nothing is done to prevent the loss of these instructional days, public schools in Hawaii will have the fewest number of instructional days in the nation. Your Committee believes that the loss of instructional days will have a detrimental long-term effect on Hawaii's public school students.

Your Committee received one written comment in opposition to this measure from the Hawaii Government Employees' Association. The written comment may be reviewed on the Legislature's website.

Your Committee amended this measure by:

- (1) Changing the total amount of the appropriation of moneys from the Hawaii hurricane relief fund from \$36,000,000 to \$86,100,000;
- (2) Specifying that:
  - (a) For fiscal year 2009-2010, a total of not more than \$22,960,000 shall be appropriated as follows: \$22,000,000 to non-charter public schools; and \$960,000 to charter schools; and
  - (b) For fiscal year 2010-2011, a total of not more than \$63,140,000 shall be appropriated as follows: \$60,500,000 to non-charter public schools; and \$2,640,000 to charter schools;
- (3) Providing that funds appropriated for the 2009-2010 school year shall not be carried over to 2010-2011 school year;
- (4) Requiring the exclusive representative for bargaining unit (5) (teachers), to agree to relinquish at least one planning day for every two lost instructional days that are restored with moneys appropriated by this measure; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee intends that the breakdown of the funds as specified in this measure represent the ceiling on the amount of money to be appropriated to the non-charter schools and charter schools in 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. 2124, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2124, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Chun Oakland, Hooser). Noes, 1 (Hemmings). Excused, 5 (English, Fukunaga, Galuteria, Hee, Tokuda).

**SCRep. 2486 Ways and Means on S.B. No. 2756**

The purpose of this measure is to clarify the cost-sharing requirement for public utilities and other entities that occupy state or county rights-of-way for relocating their facilities due to highway development projects or undergrounding facilities.

Your Committee received written comments in support of this measure from Hawaiian Electric Company. Comments in opposition were submitted by the City and County of Honolulu Board of Water Supply and the Kauai Island Utility Cooperative. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will clarify the division of costs between public and private entities that share public highway rights-of-way and provide for the consistent application of the law.

More specifically, this measure provides that a utility except for a telecommunications carrier utility owner, shall pay its share of betterment or relocation costs to the state or county agency thirty days prior to removal, relocation, replacement, or reconstruction of utility facilities, while a state or county agency is required to pay its full share of cost thirty days prior to construction. Final cost share shall be based on the project's actual cost and subject to review and mutual agreement of the parties. When federal funds are available, they be used for eighty per cent of the cost of undergrounding existing utilities.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of 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. 2756, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2756, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2487 Commerce and Consumer Protection on S.B. No. 2837**

The purpose of this measure is to revise minimum electrician and plumber licensure requirements.

Your Committee received testimony in support of this measure from Hawaii Electricians Training Fund. Your Committee received testimony commenting on this measure from the Board of Electricians and Plumbers and the University of Hawaii Community Colleges. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure alters the minimum requirements for obtaining plumbers' or electricians' licenses by requiring journey worker, journey worker specialty, maintenance, and journey worker industrial electricians by requiring applicants for licensure under these categories to complete minimum academic coursework requirements. Your Committee further finds that this measure helps to ensure an adequate number of supervising specialty, journey worker specialty, journey worker industrial, and supervising industrial electricians in the State by reducing the previous experience requirements.

Your Committee has amended this measure by:

- (1) Making the new minimum qualification licensing requirements effective July 1, 2013 and maintaining the current regime until that time; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2837, 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 (Green, Hemmings, Ige).

**SCRep. 2488 Commerce and Consumer Protection on S.B. No. 2254**

The purpose of this measure is to exempt certain nonprofit organizations from chapter 454F, Hawaii Revised Statutes, relating to mortgage loan originators.

Testimony in support of this measure was submitted by the Hawaii Habitat for Humanity Association, Habitat for Humanity West Hawaii, Molokai Habitat for Humanity, and Kauai Habitat for Humanity. The Department of Commerce and Consumer Affairs and the Hawaii Bankers Association submitted testimony in opposition.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure has considerable merit, and that the United States Congress is considering related legislation. Your Committee has heard a number of concerns regarding the measure, as drafted, and has taken these into consideration in amending this measure.

As amended, this measure would authorize the Commissioner of Financial Institutions to administer the exemption procedures, including the determination that the nonprofit meets all the requirements to apply for an exemption. In addition, language has been added to assure regulators that federal law is pre-eminent. Should federal legislation be approved, this measure would ensure a seamless transition in implementation of federal requirements.

Specifically, your Committee has amended this measure by:

- (1) Authorizing a bona fide nonprofit organization to apply to the Commissioner of Financial Institutions for an exemption from licensing as a mortgage loan originator company;
- (2) Establishing specific factors to be considered by the Commissioner in determining if the organization is a bona fide nonprofit organization, including detailed financial information, the public purpose of the organization, the compensation structure and

personnel requirements, the types of programs it provides to the public, and whether the organization provides homebuyer information and housing counseling to its clients;

- (3) Clarifying that employees of an exempt qualified nonprofit community organization who take a residential loan application or offer or negotiate terms of a residential mortgage loan without receiving or expecting compensation shall not be mortgage loan originators; and
- (4) Clarifying that in the event of conflict, federal law shall prevail, and the ineffectiveness or invalidity of the provisions in this measure shall not affect any other provisions or applications of chapter 454F, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2254, 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 (Hemmings, Ihara).

**SCRep. 2489 Commerce and Consumer Protection on S.B. No. 2164**

The purpose of this measure is to protect purchasers of condominiums by requiring notice of amendments to project documents and requiring a developer to seed the estimated replacement reserve fund with a percentage of the purchase price of the project's residential units.

Your Committee received testimony with comments on this measure from the Condominium Review Committee of the Real Estate Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will protect consumers by increasing transparency in condominium sales and ensuring that condominium purchasers are able to make accurate purchasing decisions. Your Committee finds that this measure will help prevent condominium foreclosures by ensuring that potential buyers are aware of the actual costs of living in a particular condominium unit.

Your Committee has amended this measure by:

- (1) Deleting the amendment made to section 514B-23, Hawaii Revised Statutes (HRS);
- (2) Adding a new provision to chapter 514B, HRS, to specify the notice required for changes to the declaration, bylaws, condominium map, public report, or designation of residential units and to clarify that amendments that result in a material change to the project shall trigger a buyer's right of rescission pursuant to section 514B-87, HRS;
- (3) Adding a new definition of "capital equipment";
- (4) Deleting the amendments to section 514B-98, HRS, and replacing the new language in section 514B-41, HRS, in order to make monitoring and enforcement easier;
- (5) Specifying that the developer shall disclose the existence and cost of capital equipment installed by the developer;
- (6) Specifying that the developer shall set aside an amount equal to one per cent of the sales price of each residential apartment plus an amount equal to one hundred eighty days of operating capital to be held in escrow until it is transferred to the association of apartment owners on the date of the first meeting of the association; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2164, 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 (Hemmings, Ihara).

**SCRep. 2490 Commerce and Consumer Protection on S.B. No. 2165**

The purpose of this measure is to raise standards for the guard industry by specifying educational, criminal history, and training requirements for all guards and employees of guard companies who act in a guard capacity.

Your Committee received testimony in support of this measure from two private citizens. Testimony with comments on this measure was received from the Board of Private Detectives and Guards. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the education and training requirements in the existing law pertaining to guards are inadequate to protect the public and to provide for high-quality guard services. Your Committee notes that under the existing law, it is possible for an individual to act as an armed security guard with an eighth grade education and no formal training at all. Your Committee finds that the proliferation of the use of guards and private security forces has resulted in an environment where individuals empowered by and answerable only to their employers are permitted to act as de facto police forces without oversight or regulation by the State. Your Committee finds that this measure will subject guards to meaningful oversight and regulation that is in the best interest of the guard industry as well as the public safety.

Your Committee has amended this measure by:

- (1) Adding a new section that specifies the registration, instruction, training, testing, and continuing education requirements for guards;



- (2) Amending current licensing requirements to require that all persons employed by a guard agency in a guard capacity meet the registration requirements for a guard;
- (3) Deleting provisions regarding form of application and renewal of licenses;
- (4) Adding a new section to repeal the exemption from regulation for a person employed exclusively and regularly by one employer in connection with the affairs of that employer only;
- (5) Making it effective upon its approval; and
- (6) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2165, 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 (Hemmings, Ihara).

**SCRep. 2491 (Joint) Commerce and Consumer Protection and Judiciary and Government Operations on S.B. No. 707**

The purpose of this measure is to allow the Director of Commerce and Consumer Affairs to designate an access organization to oversee public, educational, and governmental (PEG) channels on cable television.

Your Committees received testimony in support of this measure from Ho'ike: Kauai Community Television, Inc., Akaku: Maui Community Television, 'Ōlelo Community Media, Lone Eagle Consulting, Maui Venture Consulting, LLC, Hawaii Centers for Independent Living, the Media Council of Hawai'i, and one hundred fifty-five individuals. Your Committees received testimony in opposition to this measure from the State Procurement Office and two individuals. Testimony in support of the intent of this measure with amendments was received from the Department of Commerce and Consumer Affairs, the Department of Accounting and General Services, and the H.C.R. No. 358 Task Force. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that PEG television poses a particular procurement challenge due to the differences in communities' expectations throughout the State and historically low funding. Your Committees further find that PEG television, though financially unprofitable, is socially necessary as it is heavily used by Hawaii's more vulnerable populations, such as the elderly and the physically disabled.

Your Committees note the testimony of the Department of Accounting and General Services that the exemption from the Hawaii Public Procurement Code provided by this measure is consistent with section 103D-102(a), Hawaii Revised Statutes, which sets forth exceptions from the Code for certain contracts by government bodies. Furthermore, your Committees find that the designation and oversight authority provided to the Department of Commerce and Consumer Affairs by this measure will ensure that necessary safeguards are in place, including ensuring, among other things, the proper implementation of contract terms and conditions and fairness to the public.

Your Committees have amended this measure by:

- (1) Exempting the designation of PEG access organizations from the Hawaii Public Procurement Code, and clarifying that the exemption shall not apply to any specific access organization;
- (2) Clarifying that access services contracts between the Director of Commerce and Consumer Affairs and access organizations shall not be perpetual, and accordingly providing, upon termination of any such contract, for the automatic reversion to the State of:
  - (A) All assets, facilities, and equipment acquired with PEG access fees by access organizations; and
  - (B) All unspent funds provided by order of the Director of Commerce and Consumer Affairs to any PEG access organization; and
- (3) Making technical nonsubstantive changes to conform to applicable rules of style.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 707, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 707, 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 (Slom). Noes, none. Excused, 4 (Green, Hemmings, Ige, Takamine).

**SCRep. 2492 (Majority) Education and Housing on S.B. No. 2790**

The purpose of this measure is to require the timely notification of parents and guardians and procedures for the discussion of potentially controversial issues in the classroom or through other school activities.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition to this measure was submitted by two state agencies, nine private organizations, and five individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure addresses appropriate responses following the occurrence of situations that may have caused physical, psychological, or emotional harm to students during a school activity. Your Committee finds that such situations raise two related but separate issues:

the confidentiality rights of school personnel and the communication from school employees to parents, guardians, children, and staff of information that is necessary to prevent or mitigate harm to children.

Your Committee has heard the concerns regarding the subjectivity of determining materials that constitute controversial issues, the need to protect the rights of school personnel, the impact of this measure on the instruction of accurate and necessary information in schools, and the occasional need to address, discuss, and debate controversial and uncomfortable issues in school.

Your Committee finds that children should feel safe and be safe to learn and grow in a variety of ways in school and during school activities. Your Committee understands that controversial or uncomfortable issues sometimes arise in the process of learning and maturing; however, whenever these issues are addressed and discussed through school activities, the physical, mental, and emotional health, safety, and well-being of children should never be harmed and should be carefully considered along with other concerns, including personnel matters. Your Committee believes that the confidentiality of school personnel can be maintained while ensuring that necessary information is communicated between school employees and parents and guardians to prevent or mitigate harm to children in these circumstances.

Upon further discussion to refine the nature and source of the issues addressed by this measure, your Committee has amended this measure by:

- (1) Removing the language detailing notification requirements and establishing penalties for failure to provide notification;
- (2) Inserting language to ensure that after the occurrence of a situation that may have caused physical, psychological, or emotional harm to a child during a school activity, the appropriate teachers, educational officers, and school administrators shall carefully consider the health, safety, and well-being of the children involved in addition to other considerations and provide as much information as an appropriate school authority deems necessary to parents, guardians, children, and staff to prevent or mitigate harm to the children;
- (3) Inserting language to require the Department of Education to provide training to teachers, educational officers, and school administrators on the proper procedures for communicating information necessary to prevent or mitigate harm to the children following the occurrence of a situation that may cause physical, psychological, or emotional harm to students during a school activity;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion of this measure; and
- (5) Making a technical, nonsubstantive change for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2790, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2790, 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 (Kidani). Excused, 2 (Hemmings, Tsutsui).

**SCRep. 2493 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 2927**

The purpose of this measure is to allow the designated parking spaces for electric vehicles to include green vehicles, and apply the penalties established for the misuse of electric vehicle parking to green vehicles.

Testimony in support of this measure was submitted by one county agency. One state agency and one organization submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that reducing the number of vehicles on Hawaii's roads, or replacing existing vehicles with electric vehicles or high-performance hybrid vehicles is imperative to meeting the Hawaii Clean Energy Initiative's goal of seventy per cent clean, renewable energy by 2030. This measure will provide further incentive for the purchase of hybrid vehicles by providing designated parking spaces in large parking facilities, while providing continued encouragement for the development of the necessary infrastructure to support an increased number of electric vehicles.

Your Committees have amended this measure by adopting the recommendations of the City and County of Honolulu Department of Transportation Services and the Department of Business, Economic Development, and Tourism to:

- (1) Require that any public, private, and government parking facility, including parking lots, with more than ninety-nine parking spaces and fewer than one thousand spaces designate one per cent of the spaces for electric vehicles by December 31, 2012;
- (2) Require that any public, private, and government parking facility, including parking lots, with one thousand or more spaces designate one per cent of the spaces for green vehicles, including electric vehicles, by December 31, 2012;
- (3) Require that any public, private, and government parking facility, including parking lots, with more than ninety-nine spaces equip at least one electric vehicle space with an electric vehicle charging unit and be located near the building entrance;
- (4) Define green vehicle to include electric vehicles and hybrid vehicles with a fuel economy rating of thirty-five miles per gallon or higher for city driving; and
- (5) Delay the authorization to issue fines to enforce electric and green vehicle parking from July 1, 2013 to January 1, 2014.

Your Committees have also 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 Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose

of S.B. No. 2927, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2927, 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 (Green, Hemmings, Kokubun, Slom).

**SCRep. 2494 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 2551**

The purpose of this measure is to require priority state and county permitting for buildings that consume zero net energy and have no carbon emissions.

Testimony in support of this measure was submitted by three organizations. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

A net zero energy home is one that generates as much energy as it uses. Several homes in Hawaii have already achieved this goal, and additional projects are being planned. One home in Kalihi Valley eliminated their energy bill by making energy efficiency improvements and installing a photovoltaic energy system. Your Committees find that this measure can provide an incentive at no cost to the State to encourage the building of energy efficient and renewable energy capable homes. This measure will help the State meet the Hawaii Clean Energy Initiative's goal of seventy per cent clean, renewable energy by 2030.

Your Committees have amended this measure by:

- (1) Replacing the definition of "net zero energy building" with the definition in H.B. No. 2451, H.D. 1, which defines it as a building that is thirty-five per cent more energy efficient than required under the 2006 International Energy Conservation Code;
- (2) Including a provision requiring the State Building Code Council to adopt rules to implement a prescriptive design alternative for net zero energy buildings by January 1, 2012;
- (3) Mandating that agencies provide priority handling and processing for a permit application for a net zero energy building project that is accompanied by a certificate from an architect or a mechanical engineer, licensed in the State, which verifies that the project meets the necessary standards; and
- (4) 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 Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2551, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2551, 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 (Green, Hemmings, Kokubun, Slom).

**SCRep. 2495 (Joint) Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2526**

The purpose of this measure is to provide a setback when wind energy facilities are being located in agricultural districts.

Testimony in support of the measure was submitted by one organization, and one individual supports the intent. Two organizations submitted comments. Testimony in opposition was submitted by one state agency, one county agency, and eleven individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees appreciate the wide-ranging participation in the hearing on this measure. Your Committees recognize that this measure is a work in progress, and that there are many considerations to weigh. Many of the testifiers shared their personal experiences with a wind farm being proposed near Kahuku, Oahu, and your Committees understand the concerns and opposition to wind machines being placed too close to residences. Testifiers who toured a model wind farm on Maui described the flickering shadows caused by blades spinning in front of the sun and the noise of whirring and whistling, which can be heard even half a mile away. Your Committees have received additional information from out-of-state individuals who assert that a minimum one thousand feet may not be sufficient to abate the wind machines' noise particularly during night hours.

Your Committees acknowledge that each county presently regulates and sets standards for the development of wind energy facilities within their respective jurisdictions. Under the City and County of Honolulu's Land Use Ordinances, a wind machine is required to be set back from the property line a minimum distance equal to the height of the system. The height of a wind machine is usually five hundred feet or less. The City and County of Honolulu require a Conditional Use Permit (minor) for wind machines in agricultural districts, which does not require a public hearing. The City and County of Honolulu testified that, "[t]he counties can develop their own appropriate regulations. As you may know, 'wind machines' are a regulated use under the City's Land Use Ordinance . . . , which provides development standards for their use. Wind machines with a rated capacity of more than one megawatt in agriculturally zoned districts require a Conditional Use Permit (CUP), allowing the department to investigate the merits of the specific wind machine placement against existing land use conditions, including effects to adjacent uses. Through a CUP, negative impacts on residences and other uses can be mitigated."

The Legislature has historically reserved the right to regulate the use of agricultural lands. Renewable energy resources were added by the Legislature as a permissible use on agricultural lands in an effort to decrease Hawaii's dependence on fossil fuels. The development of wind energy facilities on agricultural lands is increasing throughout the State, and your Committees find that there is a need to establish a statewide standard to ensure that these facilities remain compatible with agricultural practices. Your Committees further find that a minimum one thousand feet setback for wind generators with a rated capacity of one megawatt or more from the

nearest off-site residence is reasonable to maintain the compatibility of wind energy and agricultural practices. This measure does not interfere with the counties existing authority to require further setbacks based upon case-by-case investigations.

Your Committees have 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 purpose of 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 S.B. No. 2526, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2526, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Hemmings, Hooser, Ihara, Tokuda).

**SCRep. 2496 (Joint/Majority) Human Services and Labor on S.B. No. 2341**

The purpose of this measure is to prohibit employers from discriminating against an employee or applicant for employment based upon the employee or the applicant's status as a victim of domestic violence.

Testimony in support of this measure was submitted by Department of the Prosecuting Attorney of Maui County, the Hawai'i Civil Rights Commission, Women Helping Women, and five individuals. Testimony in opposition to this measure was submitted by the Hawaii Bar Owners Association. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that victims of domestic violence face many adversities including being discriminated against in their workplace. Persons victimized by domestic violence come from all walks of life, socio-economic levels, and educational backgrounds. Your Committees find that it is important to the recovery and healing process to ensure that these persons are able to find employment and maintain stability of employment to sustain themselves and their families.

Your Committees have amended this measure by defining "domestic abuse victim status" as requested by the Hawaii Civil Rights Commission.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2341, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2341, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 1 (Slom). Excused, 3 (Bunda, Hee, Hemmings).

**SCRep. 2497 Labor on S.B. No. 2339**

The purpose of this measure is to repeal the possibility of the Director of Labor and Industrial Relations extending the due date for written decisions on the outcome of a worker compensation claim.

Testimony in support of this measure was submitted by two private organizations and three individuals. Testimony in opposition of this measure was submitted by two state agencies and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that allowing the Director of Labor and Industrial Relations the ability to effectively delay a decision on a worker's compensation claim for several months creates an undue hardship on the claimant, especially when the claimant is unable to financially support their household and livelihood. Your Committee also finds that it is beneficial to all parties involved, and especially imperative to an injured worker, that a compensation claim is administratively handled in an efficient manner as possible in reaching a prompt and reasonable resolution to the claim.

Your Committee has amended this measure by:

- (1) Requiring that within thirty days of an employer's denial, or indication of non-acceptance of compensability, the employer shall submit a written report to the Director of Labor and Industrial Relations and the claimant that describes the employer's internal investigation and supporting details that substantiate the denial or indication of non-acceptance;
- (2) Prohibiting the due date for the employer's foregoing written report to be extended; and
- (3) Restoring existing statutory language that allows the Director of Labor and Industrial Relations to extend the due date for decision or compensation claims for good cause and upon the agreement of all parties.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2339, 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 (Slom). Noes, none. Excused, 1 (Hee).

**SCRep. 2498 (Joint) Transportation, International and Intergovernmental Affairs and Human Services on S.B. No. 2287**

The purpose of this measure is to clarify county zoning requirements concerning group living facilities.

Your Committees received testimony in support of this measure from the Honolulu Department of Planning and Permitting, Aina Haina Community Association and eight individuals. Comments were submitted by the Hawaii Disability Rights Center. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that counties are not allowed under existing law to prohibit state-licensed group living facilities if these facilities otherwise meet all applicable county requirements, including building code provisions. However, some group living facilities situated close together have placed unreasonable hardship on residents of neighborhoods, causing concern about traffic safety and congestion, the disruption caused by commercial deliveries, and elevated noise levels. This measure addresses those concerns by requiring that counties consider the effects on traffic safety and congestion, noise levels, and commercial deliveries in zoning procedures for group living facilities.

Your Committees note that the City and Community of Arvada, a suburb of Denver, Colorado, enacted a regulatory ordinance (section 5.2.17, Group Living Facilities) that provides in pertinent part: "Effects on Neighborhood. The proposed Group Living Facility will not have an adverse effect on the residential character and quality of life in the particular neighborhood." Your Committees believe that this measure is comparable to the City of Arvada ordinance.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2287 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; Ayes with Reservations (Espero). Noes, none. Excused, 3 (Gabbard, Hemmings, Slom).

**SCRep. 2499 Water, Land, Agriculture, and Hawaiian Affairs on S.B. No. 2340**

The purpose of this measure is to:

- (1) Require the Kaneohe Bay Regional Council to meet annually instead of quarterly and to report on its activities annually instead of semi-annually; and
- (2) Repeal the sunset of the Council scheduled for July 1, 2010.

Testimony in support of this measure was submitted by two organizations and two individuals. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Department of Land and Natural Resources is concerned with the cost of maintaining the Kaneohe Bay Regional Council, which is presently staffed by Department employees who are expected to draft the meeting minutes and agendas. Your Committee finds that the concerns about these costs should not overshadow the importance of the Council. The Council is an example of community based planning, and provides the necessary oversight of the implementation of the Kaneohe Bay Master Plan adopted in 1992.

Your Committee has amended this measure by:

- (1) Clarifying the limited role of the Department of Land and Natural Resources in the functions of the Kaneohe Bay Regional Council; and
- (2) Changing the effective date to June 30, 2050 for the purposes of facilitating 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 S.B. No. 2340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2340, 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 (Hemmings, Takamine, Tokuda).

**SCRep. 2500 Ways and Means on S.B. No. 2747**

The purpose of this measure is to conform state tax law to the latest amendments to the Internal Revenue Code for calendar year 2009.

Specifically, the following sections are affected:

- (1) 139C, with respect to COBRA assistance, nonconformance to the exclusion from gross income for a taxpayer's subsidy for continuation of COBRA coverage;
- (2) 853A, with respect to credits from tax credit bonds allowed to shareholders, nonconformance to the pass-through of the credit from tax credit bonds to shareholders of regulated investment companies and real estate investment trusts;
- (3) 1400U-1, with respect to allocation of recovery zone bonds, nonconformance to the national limitations on recovery zone bonds since this does not affect Hawaii state tax;
- (4) 1400U-2, with respect to recovery zone economic development bonds, nonconformance to the issuance of economic development bonds since this does not affect Hawaii state tax;
- (5) 1400U-3, with respect to recovery zone facility bonds, nonconformance to issuance of economic development bonds since this does not affect Hawaii state tax;
- (6) 63, relating to the standard deduction, nonconformance to the addition of motor vehicle sales taxes to the standard deduction;



- (7) 85, relating to unemployment compensation, nonconformance to the exclusion from gross income of up to \$2,400 of unemployment compensation benefits for 2009;
- (8) 108, relating to income from discharge of indebtedness, nonconformance to section 108i, which provides that income from reacquisition of business debt at a discount in 2009 and 2010 is deferred for up to five years, then included ratably over five years;
- (9) 132, relating to fringe benefits, nonconformance to section 132(f)(2), which provides that the monthly exclusion for employer-provided transit passes and vanpooling benefits increased to the same level as employer-provided parking for 2009 and 2010. In addition, this section does not conform to section 132(n), that provides an income tax exclusion for United States Department of Defense Homeowner's Assistance Program payments authorized by the American Recovery and Reinvestment Act of 2009;
- (10) 163, relating to interest deduction, nonconformance to section 163(i)(1) and 163(e)(5)(F), which relaxes interest deduction rules for applicable high-yield discount obligations to address distressed conditions in the debt capital markets;
- (11) 164, relating to deductions for state and local taxes, nonconformance to section 164(a)(6) and 164(b)(6), which provide an itemized deduction for general excise tax on sales of most new motor vehicles purchased on or after February 17, 2009, and before January 1, 2010;
- (12) 179, with respect to the election to expense certain depreciable assets, nonconformance to the increased maximum deduction and phase-out amounts for 2009;
- (13) 265, with respect to expenses and interest relating to tax-exempt income, nonconformance to the expansion of tax-exempt interest safe harbors for banks and small issuers for obligations in 2009 and 2010;
- (14) 382, with respect to limitation on net operating loss carryforwards, nonconformance to the elimination of certain loss limitation rules for restructurings under the Trouble Asset Relief Program authorized by the Emergency Economic Stabilization Act of 2008;
- (15) 408A, with respect to Roth Individual Retirement Accounts, nonconformance to section 408A(d)(3)(A)(iii) that provides for the ratable inclusion of the income from conversion of a traditional IRA to a Roth IRA over a four-year period;
- (16) 529, with respect to qualified tuition programs, nonconformance to including computer technology equipment and internet access and related services as qualifying higher education expenses for section 529 college savings plans for 2009 and 2010;
- (17) 1202, with respect to exclusion for gain from certain small business stock, nonconformance to the increase of the amount of gain on the sale or exchange of qualified small business stock that noncorporate taxpayers can exclude from 50 per cent or 60 per cent to 75 per cent; and
- (18) 1374, with respect to tax treatment of S corporation built-in gains, nonconformance to the reduction of the built-in gain recognition period to seven years from ten years.

In addition, this measure provides that the net operating loss carryback period for Hawaii state tax purposes will remain at two years. This measure specifically provides that Hawaii does not conform to the election to allow small businesses to carryback net operating losses up to five years for 2008 and the expansion of the five-year carryback to most businesses for 2009.

Your Committee received testimony in support of this measure from the Department of Taxation. Island Pacific Energy and the Tax Foundation of Hawaii submitted comments on the measure. The written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, in this economic environment, the Hawaii tax laws should not conform to any Internal Revenue Code sections that would result in a negative impact to the State's general fund.

Your Committee has amended the measure by qualifying that section 408A(a)(3)(A)(iii) of the Internal Revenue Code with respect to Roth individual retirement accounts applies to amounts included in gross income for two years instead of four years.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2747, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2747, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

#### **SCRep. 2501      Judiciary and Government Operations on S.B. No. 2565**

The purpose of this measure is to extend until December 31, 2011, the deadline for the Hawai'i Civil Rights Commission to complete its rulemaking process to conform state law protections against disability discrimination to the federal Americans with Disabilities Act Amendments Act of 2008.

Your Committee received testimony in support of this measure from one State agency. Your Committee received testimony in support of this measure with amendments from one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Equal Employment Opportunities Commission is unlikely to finalize its guidelines implementing the Americans with Disabilities Act Amendments Act of 2008 prior to July, 2010. Your Committee further finds that the Hawai'i Civil Rights Commission will need additional time to analyze those federal guidelines and adopt administrative rules to conform state law protections against disability discrimination to the federal standards.



Your Committee has amended this measure by:

- (1) Extending the deadline for the Hawai'i Civil Rights Commission to adopt administrative rules conforming state law protections against disability discrimination to the federal standard until six months after the United States Equal Employment Opportunities Commission publishes final rules interpreting the Americans with Disabilities Act Amendments Act of 2008 in the Federal Register; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2565, 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 (Bunda, Takamine).

**SCRep. 2502      Judiciary and Government Operations on S.B. No. 2831**

The purpose of this measure is to make permanent the requirements for withholding payment to a subcontractor effectuated by Act 175, Session Laws of Hawaii 2009.

Testimony in support of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that contract provisions relating to the retainage of amounts due between a contractor and subcontractor are significant to the construction industry and should be made permanent law. Your Committee also finds that it is essential to clarify that retention amounts can be withheld from a subcontractor on a public works project and clarify the conditions under which a procurement officer can withhold part or all of a subcontractor's payment request.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of accuracy in the statutory language.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2831, 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 (Bunda, Takamine).

**SCRep. 2503      Judiciary and Government Operations on S.B. No. 2249**

The purpose of this measure is to make the assault of a water safety officer who is engaged in the performance of duty a Class C felony.

Testimony in support of this measure was submitted by two county agencies, two private organizations, and six individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that water safety officers are an integral part of protecting the people who enjoy water recreation throughout the State and that it is imperative that substantive legal protections be enacted that would benefit water safety officers in performing their duties. Your Committee also finds that establishing a Class C felony for assault on a water safety officer while in the performance of duty will provide recognition to the public that water safety officers are highly valued and their work to protect the health and safety of the public should not be impeded.

Your Committee has amended this measure by:

- (1) Deleting the phrase "or negligently" as it relates to the bodily injury of a water safety officer who is engaged in the performance of duty; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2249, 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 (Nishihara, Slom). Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2504      Judiciary and Government Operations on S.B. No. 2877**

The purpose of this measure is to promote the safety and well-being of dogs and the community by establishing the offense of confinement of a dog by tethering under prescribed circumstances and to establish mandatory fines for such an offense.

Testimony in support of this measure was submitted by the Hawaiian Humane Society, the Maui Humane Society, and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that tethering of dogs for extended periods of time where the tether is an inappropriate length or material or is in an inappropriate location is inhumane. Such prolonged, inappropriate tethering is also detrimental to the public safety as it may lead to more aggressive behavior.

Your Committee has amended this measure by changing its effective date to allow for further discussion of the issue. Your Committee has also amended this measure by 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2877, 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 (Bunda, Slom).

**SCRep. 2505      Judiciary and Government Operations on S.B. No. 2878**

The purpose of this measure is to authorize trustees of revocable living trusts to base their compensation on the compensation levels allowed for trustees of estates.

Testimony in support of this measure was submitted by one individual. Testimony in opposition to this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that revocable living trusts are important instruments that allow people to ensure that their wishes are honored after they pass away. Your Committee also finds that trustees of those trusts are essential in facilitating the decedent's requests, and if these instruments contain provisions to compensate trustees, an objective mechanism by which to determine fair compensation should be established. Accordingly, your Committee believes that aligning the compensation formula for revocable living trusts trustees with that of estate trustees is appropriate.

Your Committee has made 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2878, 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 (Bunda, Slom).

**SCRep. 2506      Judiciary and Government Operations on S.B. No. 2879**

The purpose of this measure is to authorize certified shorthand reporters to administer oaths or affirmations and to perform duties of a deposition officer.

Testimony in support of this measure was submitted by the Hawaii Court Reporters & Captioners Association and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that court reporters do no other duties of a Notary Public except for administering an oath to a witness prior to their testifying. Your Committee also finds that other states have passed similar legislation that allows certified court reporters to administer oaths without being Notary Publics, and that it would be advantageous for our court systems if Hawaii did the same. Your Committee is concerned, however, that there is a question as to whether rule 28(a) of the Hawaii Rules of Civil Procedure applies to Circuit Court exclusively, and believes the issue deserves further discussion.

Accordingly, your Committee has changed 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2879, 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 (Bunda, Slom).

**SCRep. 2507      (Majority) Judiciary and Government Operations on S.B. No. 2937**

The purpose of this measure is to establish a process by which a state agency may request the Office of Information Practices to declare a person a vexatious requester, when that person has established a pattern of conduct that amounts to an abuse of a process of the information practices law, chapter 92F, Hawaii Revised Statutes.

Testimony in support of the measure was submitted by two state agencies and one private organization. Testimony in opposition to the measure was submitted by one private individual. Comments were submitted by the Ombudsman. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Uniform Information Practices Act (UIPA) currently contains no provision allowing an agency to not respond to a record request, even when there is a legitimate justification for not responding. Your Committee believes that most record requests are made in good faith, even if the requests are repeated in an attempt to obtain a response from the agency in a timely manner. However, very occasionally, extreme situations arise when requests are made by a small number of requesters with the intent to harass an agency or by making the same request over and over again, even if a response has already been obtained. Your Committee understands that the intent of this measure is to address only the latter group of requesters, whose abuse of the UIPA procedures is extreme, rather than the former group, whose requests are made in good faith.

Your Committee has amended this measure by:

- (1) Deleting the provisions regarding review of the vexatious requester determination or restrictions by the Ombudsman, since the review authority would give the Ombudsman enforcement power over the Office of Information Practices that is inconsistent with the Ombudsman's role, as suggested by the Ombudsman;
- (2) Inserting an effective date of July 1, 2050, to ensure further discussion of this measure; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2937, 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 (Bunda, Takamine).

**SCRep. 2508 Judiciary and Government Operations on S.B. No. 2252**

The purpose of this measure is to enact requirements for ballot issue committees' contributions and expenditures.

This measure also:

- (1) Defines "automated phone call", and clarifies the definitions of "advertisement" and "ballot issue committee";
- (2) Deletes the requirement that the Campaign Spending Commission adopt a code of fair campaign practices as part of its rules;
- (3) Clarifies the requirements for monetary contributions deposited into a depository institution;
- (4) Imposes limits on corporate contributions and expenditures to the company's noncandidate committee;
- (5) Changes to "fines" all references to "penalties" in the provisions relating to violations of reporting and advertising requirements, clarifies that the imposition of these fines are discretionary, and clarifies the limits of those fines; and
- (6) Requires certain information required under existing law to be included on every web page containing an advertisement and to be stated at the beginning of automated phone calls.

Your Committee received written testimony in support of this measure from one state agency, one nonprofit entity, and one community entity. Partial opposition was received from one political entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is intended to update campaign spending laws to keep abreast with current issues relating to campaign financing, particularly with regard to ballot issue committees and automated phone calls which are currently unregulated.

Your Committee has amended this measure by:

- (1) Deleting section 5, relating to campaign contribution limits from corporations and companies, as this issue is addressed in another measure; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2252, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2252, 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 (Bunda, Slom).

**SCRep. 2509 Judiciary and Government Operations on S.B. No. 2617**

The purpose of this measure is to amend the notice requirement of public agency meetings to allow for notification of meetings and transmittal of meeting minutes by electronic mail.

The measure also repeals the Board of Education's ability to only provide two calendar days' notice for meetings that will be covered while the Legislature is in session at which only legislation will be discussed.

Testimony in support of the measure was submitted by two state agencies, one county agency, and two individuals. Testimony in partial support, and partial opposition was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the use of electronic mail to transmit notices of upcoming public meetings and meeting minutes represents a faster means of communication, especially when there are changes to the meeting agendas or other information. Faster communication encourages citizens to participate in public meetings by enabling them to make arrangements to attend in a timely manner. Your Committee also notes that the cost savings resulting from sending notices and minutes via electronic means, rather than by regular mail that requires postage, can represent a not insignificant amount and can allow an agency to expend these resources in other critical areas.

Your Committee notes that there are two other measures referred to your Committee that also relate to expanding citizens' access to information and public meetings, the substantive provisions of which should be incorporated into S.B. No. 2617 to facilitate further discussion. These measures are S.B. No. 647 (2009), introduced last session, and S.B. No. 2305, introduced this session. As these measures involve similar subject matter as S.B. No. 2617, your Committee believes that these related provisions should be brought together in one measure.

Your Committee has amended this measure by:

- (1) Inserting language from S.B. No. 647 (2009), which requires executive meetings of boards to be properly noticed and requires subject matter and discussion in an executive meeting to be announced in public upon reconvening of an open meeting;
- (2) Inserting language from S.B. No. 2305, which requires concurrence from the Office of Information Practices, rather than the Attorney General, for boards to hold emergency meetings for unanticipated events;
- (3) Inserting an effective date of July 1, 2050, to facilitate further discussion regarding conduct of public meetings; and
- (4) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2617, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2617, 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 (Bunda, Takamine).

**SCRep. 2510 Judiciary and Government Operations on S.B. No. 2251**

The purpose of this measure is to update, organize, and clarify current campaign financing laws.

Testimony in support of the measure was submitted by one state organization. Testimony in support, with comments, was submitted by three private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the campaign finance laws, codified in chapter 11, subpart B of part XII, Hawaii Revised Statutes, are unorganized, difficult to read, and inconsistent in some areas, due to the numerous amendments that have been made to these laws over the past thirty-six years. Your Committee also notes that the measure as received is based on and is substantially similar to H.B. No. 128, C.D. 2 (2009), which was passed by the 2009 Legislature, but was subsequently vetoed by the Governor. The Campaign Spending Commission has since met with the Governor's staff to discuss the reasons for the veto. The Commission submitted testimony that two concerns remained unaddressed after these discussions: the number of nominees from which to select commissioners, and the exception of competitively bid contracts from the campaign contribution prohibition. When preparing S.B. 2251, the Commission addressed both of these concerns and also made additional changes and amendments, as set forth in their testimony.

Your Committee believes that the recodification of the campaign spending laws is important and that any additional changes to S.B. No. 2251, although sensible, may only serve to delay the recodification by creating additional points of concern for the Governor.

Your Committee has amended this measure by:

- (1) Replacing its contents, except as set forth below, with the contents of H.B. No. 128, C.D. 2 (2009). The exceptions are as follows:
  - (A) Replacement of the provision regarding the number of candidates from which the Governor may select commissioners in the event of a vacancy with the provision from S.B. No. 2251, which addresses the Governor's concerns; and
  - (B) Replacement of the provision regarding the prohibition on contributions from state and county contractors with the provision from S.B. No. 2251, which addresses the Governor's concerns; and
- (2) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2251, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2251, 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 (Bunda, Slom).

**SCRep. 2511 Judiciary and Government Operations on S.B. No. 2800**

The purpose of this measure is to sufficiently preserve the health and well-being of a pet animal by:

- (1) Expanding the definition of a primary pet enclosure; and
- (2) Amending the definition of "necessary sustenance" to include a broader range of care needed for care of pet animals.

Testimony in support of the measure was submitted by four private organizations and nine individuals. Testimony in opposition was submitted by one state agency and one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will address situations where pet animals are confined to small areas for long periods of time, by requiring that owners provide the most basic housing, sustenance, care, and keeping standards. Additionally, the measure provides a necessary requirement that owners provide veterinary care to pet animals to prevent suffering. Your Committee notes concerns raised that such requirements may be seen to apply to farm animals, which is not the intent of the measure.

Your Committee has amended this measure by:

- (1) Clarifying that the requirements apply to pet animals, only;

- (2) Retaining the existing language in the definition of “necessary sustenance” that requires that any confinement has adequate space necessary for the health of the pet animal, in order to clarify that the requirements are applicable to both cages and yard areas;
- (3) Inserting an effective date of July 1, 2050 to encourage further discussion; and
- (4) Making a technical, nonsubstantive amendment for purposes of consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2800, 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 (Bunda, Slom).

**SCRep. 2512 Judiciary and Government Operations on S.B. No. 2045**

The purpose of this measure is to establish class A, B, and C felony sexual human trafficking offenses and class A, B, and C felony labor trafficking offenses, and provisions related to prosecution of the offenses.

Testimony in support of the measure was submitted by one neighborhood board, four private organizations, and twenty-five individuals. Testimony in opposition to the measure was submitted by one state agency, two county agencies, and one private organization. Comments were submitted by one state agency, one county agency, and one private organization. Written testimony presented to your Committee may be reviewed on the Legislature’s website.

Your Committee finds that internationally, human trafficking is an enormous civil rights problem that appears to be growing exponentially, even with the best efforts of the federal government and the international community. While the life stories and statistics related in testimony are appalling, the task of your Committee is to craft legislation that works within the existing Penal Code and to determine how the trafficking offenses established under the measure as received fit within this context.

Testimony made clear that the primary focus of concern is young teenage girls in the State being lured or forced into prostitution. Testimony in support of the measure indicates that the existing laws penalizing conduct relating to prostitution may be inadequate to reach traffickers or may stigmatize the trafficking victims by labeling them as prostitutes and, thus, criminals in their own right, rather than recognizing them as victims. By focusing the proposed legislation on sexual human trafficking, the primary concern of those testifying in support, rather than attempting to also address the problem of labor trafficking, the emphasis can stay squarely on the sexual human trafficking victims.

Your Committee has amended this measure by:

- (1) Deleting the purpose section of the measure;
- (2) Removing the offense of sexual human trafficking in the third degree;
- (3) Removing the labor trafficking offenses;
- (4) Renaming the new part “Sexual Human Trafficking”;
- (5) Removing the mandatory minimums for trafficking underage victims, as those provisions eliminate the discretion of sentencing judges; your Committee believes that the sentencing under the new offenses should be reviewed at a later time to determine if mandatory minimums are necessary or desirable;
- (6) Inserting an effective date of July 1, 2050, to ensure further discussion regarding this measure, specifically including the elements of the crimes enumerated therein; and
- (7) Making technical, nonsubstantive amendments for purposes of consistency, style, and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2045, 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 (Bunda, Slom).

**SCRep. 2513 Judiciary and Government Operations on S.B. No. 2450**

The purpose of this measure is to establish a civil violation for possession of one ounce or less of marijuana that is subject to a fine of not more than \$100.

Testimony in support of the measure was submitted by three private organizations and thirty-three individuals. Testimony in opposition was submitted by two state agencies, six county agencies, and one individual. Written testimony presented to your Committee may be reviewed on the Legislature’s website.

Your Committee finds that times of economic crisis can provide government with an opportunity to examine the ways in which state resources are expended, rather than simply continuing policies that may or may not be working. Hawaii’s policies regarding the criminalization of small amounts of marijuana are one such area.

Your Committee finds that the substantial costs to enforce laws criminalizing possession of small amounts of marijuana far outweigh the benefits, both for the State and for the individuals whose lives are forever tainted by an arrest or a criminal conviction. Studies indicate that state and county law enforcement agencies spend \$4,100,000 per year to enforce marijuana possession laws, and

an additional \$2,100,000 is spent by the courts each year to process marijuana possession cases. But the results are minor and appear to have no deterrent effect on marijuana use.

Testimony heard by your Committee underscored the devastating potential that this type of conviction can have on an individual's life; a conviction may destroy a college student's opportunity for continued federal aid, can derail the bright future of a high school student, and will make obtaining housing or a job much more difficult. Your Committee understands that youthful "experimentation" with marijuana is not uncommon, and while your Committee does not condone such behavior, the potential effects of a conviction appear to far outweigh conduct that, for most, is put aside as maturity comes.

Your Committee does acknowledge that issues were raised in testimony regarding school enforcement policies and the effect of the amendments proposed in the measure on a school's ability to enforce rules prohibiting possession of marijuana on school grounds. As no testimony from the Board of Education was submitted, these questions still remain.

Your Committee has amended this measure by:

- (1) Increasing the civil fine from \$100 to \$300 for the first violation, and establishing a fine of \$500 for each subsequent violation;
- (2) Deleting section 1, the purpose section;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion regarding the effect of the amendments in the measure, if any, on school enforcement policies; and
- (4) Making technical, nonsubstantive amendments for purposes of consistency and style and to update statutory cross-references.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2450, 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 (Nishihara). Noes, none. Excused, 1 (Bunda).

**SCRep. 2514      Judiciary and Government Operations on S.B. No. 2154**

The purpose of this measure is to:

- (1) Clarify how and under what circumstances adult probation records may be provided to an offender's treating physician and county, state, or federal law enforcement officers;
- (2) Allow a victim, upon written request and under certain circumstances, to be notified by the offender's probation officer of information relating to the safety and welfare of the victim; and
- (3) Clarify the requirements for disclosure of a offender's past treatment and assessments.

Testimony in support of this measure was submitted by two state agencies and one organization supports the intent. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will maximize the collaborative relationship between probation officers and treatment service providers. The statutes presently restrict the information probation officers may share even when it is in the best interests of the offender. When the offender understands that there is a flow of information between the probation officer and the treatment service provider, there is less room for misinterpretation. This flow of information allows the treatment service providers, the probation officers, and the offender to establish common, meaningful, and individualized treatment goals.

This measure will additionally ensure that, with written consent, probation officers may inform a doctor of the offender's use and misuse of drugs to aid in the offender's rehabilitation. Even with written consent, the present statutes prohibit this sharing of information. This measure uses evidence based practices to provide mechanisms to reduce offender recidivism.

Your Committee has amended this measure by:

- (1) Adopting the proposed changes submitted by the Judiciary, the Adult Client Services Branch Administrator, and the Public Defender to:
  - (A) Clarify that prior written consent for the disclosure of adult probation records must be obtained by the treatment service provider;
  - (B) Clarify that only probation drug test results may be released to the defendant's treating physician, and only when there is an indication that test results indicate substance use which may be compromising the defendant's medical care or treatment; and
  - (C) Remove the provisions authorizing disclosure of adult probation records to law enforcement to report a crime or crime-related information;
- (2) Changing the effective date to July 1, 2050 for the purpose of facilitating further discussion; and
- (3) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2154, 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 (Bunda, Slom).

**SCRep. 2515 (Joint/Majority) Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Technology and Ways and Means on S.B. No. 2460**

The purpose of this measure is to impose a user fee on permit holders who operate commercial activities in the Molokini Shoal Marine Conservation District (Molokini) to be deposited in the Kaho'olawe Rehabilitation Trust Fund.

Testimony in support of the measure was submitted by one state agency and one state commission. Testimony in opposition was submitted by one state agency, ten organizations, and two individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees recognize the concerns of the commercial operators who may be affected by this measure. Each commercial operator pays a permit fee of \$50 every two years to bring commercial tours to Molokini, and for the use of the harbor, three per cent of the gross receipts. The Department of Land and Natural Resources recently imposed additional permit conditions on the commercial operators which may require increased costs for some operators, however, how many operators these conditions have affected and the extent of the financial impact is unknown to the Department.

Molokini is an attractive destination for these commercial operators for snorkel and dive tours because of its pristine condition and large fish stocks. This is due in large part to the preservation and protection activities at Kaho'olawe. The restricted waters provide an extensive sanctuary and nursery for all marine species, including the green sea turtle, Hawaiian monk seal, humpback whales, and some of the healthiest fish populations in the islands. The Kaho'olawe Island Reserve Commission supports Molokini by removing unexploded ordnance and monitoring seabirds. Additionally, the Kaho'olawe Island Reserve Commission provides assistance to boaters in and around Molokini when needed, since due to the close proximity, a Commission vessel is often the closest vessel. Thus, there is a close nexus between Molokini and Kaho'olawe.

The overarching purpose of this measure is to provide a permanent statutory revenue source for the management of the Kaho'olawe Island Reserve. It is estimated that approximately 350,000 visitors visit Molokini each year, therefore this measure could generate as much as \$1.75 million annually. The Department of Land and Natural Resources informed your Committees that the moorings at Molokini require \$60,000 in deferred maintenance. Thus, the potential revenues from this user fee could pay for the annual management of Molokini and for required maintenance activities while still providing funds to assist the Kaho'olawe Island Reserve Commission in its mission to preserve and protect the Island Reserve.

Your Committees find that transferring authority for Molokini from the Department of Land and Natural Resources to the Kaho'olawe Island Reserve Commission provides the benefits from the user fee and the responsibilities for Molokini. Your Committees appreciate the support of the Office of Hawaiian Affairs during these difficult economic times in the effort to find fair and necessary sources of income to support struggling state programs. Your Committees acknowledge and respect the Office of Hawaiian Affairs' trust responsibilities and recognize the possible conflict with the required matching funds in this measure. For this reason, your Committees have amended the measure to include a severability provision.

Your Committees hope to work collaboratively with the Department of Land and Natural Resources and the Kaho'olawe Island Reserve Commission and continue the discussion of these matters.

Your Committees have amended this measure by:

- (1) Transferring authority for Molokini from the Department of Land and Natural Resources to the Kaho'olawe Island Reserve Commission;
- (2) Authorizing the Kaho'olawe Island Reserve Commission to issue commercial use permits and collect permit fees and a percentage of gross receipts for the use of Molokini;
- (3) Removing the specific amount of the user fee to be imposed on permit holders who operate a commercial activity in Molokini;
- (4) Requiring the Office of Hawaiian Affairs to provide no less than matching funds to the Kaho'olawe Island Reserve Commission for any fees and gross receipts collected for the use of Molokini;
- (5) Amending the definition of "island reserve" to include Molokini and its waters;
- (6) Authorizing the Kaho'olawe Island Reserve Commission to engage in commercial activities;
- (7) Establishing a Molokini sub-account in the Kaho'olawe Rehabilitation Trust Fund:
  - (A) For deposit of all fees and revenues collected for the use of Molokini;
  - (B) For use for the management and maintenance of Molokini; and
  - (C) To provide additional funds for the Trust Fund if there are funds in excess of the annual expenditures required to manage and maintain Molokini;
- (8) Authorizing the Kaho'olawe Rehabilitation Trust Fund to accept any moneys received from the Office of Hawaiian Affairs and any excess funds from the Molokini sub-account;
- (9) Adding a severability provision;
- (10) Changing the effective date to July 1, 2050 to encourage further discussion; and
- (11) Making technical, nonsubstantive changes for the purposes of clarity 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 Technology and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2460, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2460, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 11; Ayes with Reservations (Tsutsui). Noes, 1 (Slom). Excused, 5 (Baker, Bunda, Hemmings, Ige, Takamine).

**SCRep. 2516 Commerce and Consumer Protection on S.B. No. 2770**

The purpose of this measure is to clarify the definitions of “remote dispensing machine” and “remote dispensing pharmacy.”

Your Committee did not receive any testimony on this measure. Your Committee reviewed testimony previously submitted to the Committee on Health in its deliberations.

Your Committee finds that remote dispensing pharmacies are an important component of the health care delivery system for residents of rural islands and remote areas because they help to remove barriers to accessing essential medications. Your Committee finds that clarifying the definitions of “remote dispensing machine” and “remote dispensing pharmacy” will allow remote dispensing pharmacies to better serve the residents of rural islands and remote areas.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2770, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2517 Commerce and Consumer Protection on S.B. No. 2817**

The purpose of this measure is to clarify that the rules adopted by a private association of homeowners regarding the placement of solar energy devices may not impose conditions or restrictions that render the device more than twenty-five per cent less efficient, increase the cost of installation, maintenance, or removal of the device by more than fifteen per cent, or require an encumbrance on title.

This measure also extends to December 31, 2010, the deadline for private entities, such as homeowners associations, to adopt rules providing for the placement of such solar energy devices.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association and the Hawai‘i Chapter of the Sierra Club. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that section 196-7, Hawaii Revised Statutes, requires every private entity to adopt rules to facilitate the placement of solar energy devices on single-family residences and townhouse units. Section 196-7 specifies that these rules shall not unduly or unreasonably restrict that placement so as to render the device more than 25 per cent less efficient or to increase the cost of the device by more than 15 per cent. However, your Committee understands that since passage of that law, there have been an increasing number of complaints by Hawaii families that are being prevented from installing solar energy systems due to rules promulgated by entities such as homeowners associations.

Your Committee finds that this measure provides needed clarification of the limits of homeowners associations’ powers to promulgate rules that restrict a homeowner’s ability to site solar energy devices. Your Committee further finds that by removing obstacles to the installation of solar energy devices, this measure promotes use of Hawaii’s renewable energy resources and the State’s energy security.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2817, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ihara).

**SCRep. 2518 Commerce and Consumer Protection on S.B. No. 2858**

The purpose of this measure is to allow the Public Utilities Commission to allow independent producers of renewable energy operating on state lands to sell electricity directly to state government entities located on the same island.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association and the Hawaii Renewable Energy Alliance. Testimony in opposition to this measure was received from Kauai Island Utility Cooperative and Hawaiian Electric Company. Testimony with comments was received from the Public Utilities Commission and Tawhiri Power LLC. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that this measure will help to catalyze innovation in the renewable energy marketplace by creating a new, competitive market for renewable energy products. Your Committee further finds that this measure will result in savings to state and county agencies that are able to comparison shop when making energy purchasing decisions.

Your Committee notes the testimony of the Public Utilities Commission (PUC) that the PUC currently has an open docket available in December of this year on the implementation of intra-governmental wheeling of electricity. Your Committee finds that this is an appropriate venue to consider the sale of electricity to government agencies and, therefore, supports the position of the PUC that consideration and discussion of this measure shall be added to that docket.

Your Committee has amended this measure by:

- (1) Expressing support for the PUC's position that discussion of this issue is appropriate for the already-scheduled December 2010 docket;
- (2) Eliminating the deadline for the establishment of policies and rules to implement retail wheeling;
- (3) Clarifying that the PUC shall implement retail wheeling by rule, policy, and order;
- (4) Changing its effective date to July 1, 2050 to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2858, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2858, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ihara).

**SCRep. 2519 Commerce and Consumer Protection on S.B. No. 2844**

The purpose of this measure is to prevent insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations that provide coverage for organ or tissue transplantation services from denying or limiting that coverage on the basis that the covered person is infected with the human immunodeficiency virus (HIV).

Your Committee received testimony in support of this measure from two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes that receiving an organ or tissue transplant is a multi-step process of which insurers comprise only one part. Doctors who evaluate patients, hospital organ transplant guidelines, federal guidelines, and organ procurement organizations all effect the decision of whether or not a patient will be approved for an organ or tissue transplant.

Your Committee further finds that this measure is one step toward protecting patients with HIV from organ transplant discrimination. HIV status alone should not be the basis for denial of an organ or tissue transplant.

Your Committee has amended this measure by inserting an effective date of July 1, 2050 to encourage further discussion of the problem and possible solutions.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2844, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2844, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Hemmings, Ihara).

**SCRep. 2520 Commerce and Consumer Protection on S.B. No. 2371**

The purpose of this measure is to exempt limited benefit health insurance policies from provisions of the Insurance Code enacted after July 1, 2010, unless the provisions are expressly made applicable.

Your Committee received testimony in support of this measure from the American Family Life Assurance Company of Columbus. Testimony with comments on this measure was received from the Insurance Commissioner of the Department of Commerce and Consumer Affairs and the American Council of Life Insurers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that limited benefit health insurance policies are policies that cover a specific disease or condition or that provide reimbursement for specific expenses that are generally not covered by a primary health insurance policy. Your Committee finds that because the nature of a limited benefit health insurance policy is fundamentally different from that of a primary health insurance policy, laws that are generally applicable to primary health insurance policies may be inappropriate for limited benefit policies.

Your Committee has amended this measure by clarifying that policies for disability income insurance, and not for disability insurance, qualify for the exemption from new provisions added to chapter 431, article 10A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2371, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2371, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2521 Commerce and Consumer Protection on S.B. No. 2331**

The purpose of this measure is to modify the renewable portfolio standards to specify that commencing after December 31, 2014, a minimum of two per cent of net electrical power generation must be met from renewable power generated by facilities utilizing agricultural energy.

The measure also defines agricultural energy as energy produced:

- (1) By a biofuel processing facility located in the State that produces more than 500,000 gallons of biofuel per year;

- (2) Using commercial agricultural products or commodities produced in the State by a commercial agricultural enterprise that produces more than 1,000,000 pounds of such products or commodities per year; and
- (3) By a commercial agricultural enterprise that produces more than 1,000,000 pounds of agricultural products or commodities per year.

Your Committee received testimony in support of this measure from the Public Utilities Commission. Testimony commenting on this measure was received from the Department of Business, Economic Development, and Tourism and the Hawaii Department of Agriculture. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will strengthen Hawaii's agricultural and alternative fuels industry while decreasing the State's dependence on imported oil and non-renewable resources. Your Committee recognizes that requiring the use of a particular type of fuel does not necessarily mean that sufficient local production of energy feedstock will develop and that whether sufficient agricultural energy is produced is beyond the electric utility company's control.

Your Committee has amended this measure by:

- (1) Clarifying that the renewable energy requirement that begins January 1, 2015 applies to net electrical power generation and not just to renewable portfolio standards;
- (2) Clarifying that the term agricultural energy producers includes facilities that commercially produce biofuels, food, feed, or wood products in tandem with the production of electrical power;
- (3) Reducing the amount of production necessary to meet the qualifications for a commercial facility from 1,000,000 pounds to 50,000 pounds per year for facilities producing food, feed, or wood products;
- (4) Changing the effective date of this measure to January 1, 2050 to encourage further discussion; and
- (5) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2331, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2331, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ihara).

**SCRep. 2522 Ways and Means on S.B. No. 2054**

The purpose of this measure is to establish within the state Civil Defense Agency the position of Statewide Communications Interoperability Coordinator and to appropriate federal funds received from the homeland security grant program to fund this new position.

Your Committee finds that this measure addresses the need for multi-jurisdictional collaboration and partnerships among the many public safety agencies regarding effective voice and data communications during routine and emergency civil defense situations.

Your Committee received comments in support of this measure from the Director of Civil Defense. Written comments may be reviewed on the Legislature's website.

Upon further consideration, your Committee amended this measure by changing the effective date to July 1, 2050, to promote further discussion. 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. 2054, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2054, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2523 Ways and Means on S.B. No. 2105**

The purpose of this measure is to transfer responsibility for issuing removable windshield placards, temporary removable windshield placards, special license plates, and identification cards, from the counties to the Disability and Communication Access Board.

This measure also extends the duration of a removable windshield placard's validity from four to six years.

Your Committee received comments in support of this measure from the Disability and Communication Access Board, the State Council on Developmental Disabilities, the City and County of Honolulu Division of Motor Vehicle, Licensing and Permits, and two individuals. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure conforms state law to the requirements of the federal Uniform System for Handicapped Parking, by making a state agency, the Disability and Communication Access Board, responsible for the parking program for persons with disabilities. Your Committee also finds that this measure provides the State with the flexibility to allow the Disability and Communication Access Board to enter into agreements with the counties to issue placards on behalf of the State. Further, your Committee finds that this measure will result in an administrative cost savings, by extending the duration of a placard's validity from four to six years.

Your Committee amended this measure by:

- (1) Amending the statutory provision relating to special license plates to clarify that the Disability and Communication Access Board, rather than the counties, is the entity that issues special license plates;
- (2) Amending the statutory provision relating to the issuance of identification cards to clarify that the Disability and Communication Access Board is responsible for issuing identification cards;
- (3) Clarifying that the issuance of a second placard requires verification of an applicant's disability; 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. 2105, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2105, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2524 Ways and Means on S.B. No. 2324**

The purpose of this measure is to clarify that a claimant receiving partial unemployment benefits is not disqualified from receiving benefits upon separating from an employer that offers only part-time employment.

Your Committee finds that an employee who normally works full-time is entitled to receive partial unemployment benefits when the employee's hours are reduced. Your Committee believes that the unemployment insurance laws should not penalize the employee for voluntarily seeking part-time employment elsewhere to supplement those partial unemployment benefits. Accordingly, your Committee further finds that if the employee should terminate from the part-time employer, the employee should not be disqualified from receiving benefits.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical amendments to the measure including adding relevant definitions from Act 170, Session Laws of Hawaii 2009 to 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. 2324, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2324, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2525 Ways and Means on S.B. No. 2466**

The purpose of this measure is to appropriate state matching funds to develop and administer the Women and Infant Children Farmers' Market Nutrition Program.

Your Committee received comments in opposition to this measure from the Department of Health. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the United States Department of Agriculture's Women and Infant Children Farmers' Market Nutrition Program gives recipients of the Special Supplemental Nutrition Program for Women, Infants, and Children the opportunity to purchase fresh fruits and vegetables at locally registered farmer's markets. As such, it is an ideal way to address the nutritional concerns of pregnant women and young children in a cost-effective and efficient manner, at minimal cost to the State. Such a federal-partnership program would also benefit state agriculture, particularly local farmers.

Your Committee understands that the Department of Health has requested introduction of a concurrent resolution that reflects the intent of this measure. While your Committee supports the intent of this measure, your Committee acknowledges that a resolution may be a more appropriate vehicle to initiate this program.

Your Committee has amended this measure by:

- (1) Changing the effective date of this measure to July 1, 2099, to facilitate further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2466, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2466, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2526 Ways and Means on S.B. No. 2335**

The purpose of this measure is to implement the voting provisions for uniformed services and overseas absentee voters, as required by the federal Military and Overseas Voter Empowerment Act.

Your Committee received comments in support of this measure from The League of Women Voters of Hawaii. Written comments may be viewed on the Legislature's website.

Your Committee finds that this measure will assure military personnel, spouses and dependents of military personnel, and civilians who are overseas, that their votes are valued and will be counted.

Your Committee amended this measure by:

- (1) Correcting references to the "United States Public Health Service Commissioned Corps" and the "National Oceanic and Atmospheric Administration Commissioned Corps";
- (2) Changing the effective date to January 1, 2055, 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. 2335, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2335, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2527 Ways and Means on S.B. No. 2603**

The purpose of this measure is to bring the mortgage loan originator licensing laws into full compliance with the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008.

Furthermore, this measure appropriates funds out of the compliance resolution fund to establish additional positions in the Division of Financial Institutions, the agency charged with administering the mortgage loan originator licensing laws.

Your Committee received written comments on this measure from the Department of Budget and Finance and the Department of Commerce and Consumer Affairs. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to ensure that the State retains its power to regulate the intrastate mortgage lending industry. The State risks ceding that power to the federal government if the State's mortgage loan originator licensing laws fail to comply with the federal standards set out in the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. This measure provides the necessary statutory provisions to comply with the requirements of the federal law.

Your Committee has amended this measure by making a variety of technical amendments to correctly reflect the printed version of the Hawaii Revised Statutes or Session Laws of Hawaii; correct internal cross references; provide consistency among provisions; and clarify language.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2603, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2603, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2528 Ways and Means on S.B. No. 2926**

The purpose of this measure is to authorize the issuance of up to \$40,000,000 in special purpose revenue bonds for Carbon Bio-Engineers, Inc. to develop and produce non-fossil fuel energy.

Your Committee received comments in support of this measure from Carbon Bio-Engineers, Inc. Written comments may be reviewed on the Legislature's website.

Your Committee finds that Carbon Bio-Engineers, Inc. is engaged in the development of cogeneration facilities that process non-fossil fuel feedstock to produce energy related carbon products and electricity. Your Committee believes that the development of alternate energy sources is vital to environmental quality and consistent with the State's energy policy of energy efficiency and sustainability.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2099 to facilitate further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2926, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2926, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2529 Ways and Means on S.B. No. 2420**

The purpose of this measure is to include energy and dietary supplement beverages, hard spirits, and wine containers in the deposit beverage container program.

Your Committee received comments in support of this measure from the Department of Environmental Management, County of Hawaii. Comments in opposition to the measure were received from the Hawaii Bar Owners Association and the Wine Institute. The Hawaii Liquor Wholesalers Association submitted comments. Written comments may be reviewed on the Legislature's website.



Your Committee finds that purported energy and dietary supplemental beverages have the same intended use as other sports drinks, sodas, and juice beverages sold in containers that are subject to the deposit beverage container program. Further, hard spirits and wine also have the same intended use for internal human consumption as other spirits and drinks that are included in the deposit beverage container program and should be included in the program.

Your Committee has amended this measure by:

- (1) Changing its effective date to facilitate further discussion of this measure; and
- (2) Making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2420, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2420, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2530 Ways and Means on S.B. No. 2625**

The purpose of this measure is to address concerns regarding the Department of Business, Economic Development, and Tourism's out-of-state offices and the State's 2005 trade mission to China and Korea.

Specifically, this measure:

- (1) Requires that, beginning July 1, 2010, financial audits of the Department of Business, Economic Development, and Tourism's out-of-state offices be conducted at least every two years;
- (2) Repeals the exemption from audit and accounting requirements for out-of-state offices;
- (3) Requires the Department of Business, Economic Development, and Tourism to cease expending or transferring any remaining federal reimbursement market development cooperator program funds, beginning February 1, 2010;
- (4) Requires the Department of Business, Economic Development, and Tourism to update policies and procedures of the out-of-state offices;
- (5) Requires the State Procurement Office to review financial records of the State's 2005 trade mission to China and Korea; and
- (6) Requires the Department of Business, Economic Development, and Tourism to submit reports on the status of the market development cooperator program funds and the policies and procedures of the out-of-state offices to the Legislature.

Your Committee finds that Auditor's Report No. 10-01, *Investigation of Specific Issues of the Department of Business, Economic Development & Tourism*, concluded that the Department of Business, Economic Development, and Tourism has demonstrated a troubling pattern of nondisclosure regarding the State's 2005 China trade mission and provided misleading and inaccurate information regarding the department's market development cooperator program award. In addition, in two of the three operational areas examined, internal controls were found to be seriously lacking, which created opportunities for fraud and abuse. Your Committee further finds that this measure implements the recommendations of Auditor's Report No. 10-01, regarding the Department of Business, Economic Development, and Tourism's out-of-state offices.

Your Committee has amended this measure by 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. 2625, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2625, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2531 Ways and Means on S.B. No. 2874**

The purpose of this measure is to allow taxpayers to contribute a sum up to the amount of their income tax refund to the school-level minor repairs or the libraries special fund.

Your Committee received comments in opposition to this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted comments. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will help address minor school repairs and library services by allowing individual income tax filers to write-in an amount greater than the amount currently allowed by law. Your Committee is concerned, however, that the costs for revising income tax forms to allow this feature could outweigh the benefits of the additional revenues. Your Committee believes that the costs and benefits of this measure should be examined further to determine whether this method of donating tax refunds is warranted.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the distinction between the proposed write-in amount and the specific \$2 check-off amount currently allowed by law; and
- (2) Changing the effective date to July 1, 2009, 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. 2874, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2874, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2532 Ways and Means on S.B. No. 2153**

The purpose of this measure is to require defendants who obtain deferral of their pleas and felony offenders who transfer to Hawaii under an interstate compact to pay the DNA analysis fee or associated costs.

Your Committee received comments in support of this measure from the Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu. The written comments may be reviewed on the Legislature's website.

Your Committee finds that defendants convicted of, who obtain a deferred plea for, or who are found not guilty by reason of insanity for a felony are required to provide a DNA sample and hand print. As part of the disposition of a case, however, only convicted defendants are currently required to pay the assessment or cost. Your Committee believes that defendants with deferred pleas or other dispositions should not be relieved of an obligation to pay for a DNA 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 is in accord with the intent and purpose of S.B. No. 2153, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Hemmings, Kokubun).

**SCRep. 2533 Ways and Means on S.B. No. 2709**

The purpose of this measure is to strengthen the law that requires the Department of Education to give first preference to the purchase and use of environmentally sensitive cleaning and maintenance products.

Specifically, the measure requires the Department to give preference to products that have been approved by the Design for the Environment Program of the United States Environmental Protection Agency, and the EcoLogo Program administered by TerraChoice Environmental Marketing, Inc., along with the existing preference for products approved by the Green Seal program.

Your Committee received no written comments on this measure.

Your Committee finds that preferring environmentally-sensitive products for use in Hawaii's public schools will contribute to the health of Hawaii's natural environment as well as the safety of its students.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2534 Judiciary and Government Operations on S.B. No. 2669**

The purpose of this measure is to strengthen the Attorney General's authority to enforce Hawaii's charitable solicitation law.

Your Committee finds that this measure clarifies that the Department of the Attorney General shall serve as agent for purposes of service of process only for out-of-state charitable organizations that do not have a registered agent with the Department of Commerce and Consumer Affairs, and establishes procedures for service. In addition, the measure amends the charity registration exemptions and the time period for the filing of a charity's annual financial report.

Your Committee has amended this measure by making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2669, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2669, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2535 Judiciary and Government Operations on S.B. No. 2772**

The purpose of this measure is to clarify that the Board of Veterinary Examiners may revoke or suspend the license of or fine a licensee for violation of the recognized principles of medical ethics adopted by the Hawaii Veterinary Medical Association and the American Veterinary Medical Association.

Your Committee finds that the statutes regulating ethical practice for veterinarians are currently silent as to an accepted code of conduct. Your Committee finds that the enforcement procedure of the Regulated Industries Complaints Office (RICO) for ethical issues in cases where there is no statutorily specified code of conduct is to look to generally accepted standards that may be ill-defined or unclear. Your Committee finds that this measure will provide clarity and certainty in enforcement and will remove ambiguity as to the appropriate ethical standards for veterinarians.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2772, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2772, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2536 Judiciary and Government Operations on S.B. No. 2910**

The purpose of this measure is to prohibit a foreclosing mortgagee or mortgagee who acquires a property from requiring that a buyer purchase title insurance or escrow services from any particular vendor as a condition of sale.

Your Committee finds that the federal Real Estate Settlement Procedures Act prohibits a seller from requiring the buyer to purchase title insurance from a particular insurer as a condition of the sale, regardless of whether or not the property was acquired by foreclosure. The federal law, however, applies to title insurance and not escrow services and this measure will provide increased protection for consumers.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2910 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2537 Judiciary and Government Operations on S.B. No. 2799**

The purpose of this measure is to allow title to real property to, upon the owner's death, pass directly to a beneficiary by means of a transfer on death deed.

Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the availability of the transfer on death deed may greatly assist in estate planning and avoid costly mistakes that can be made by a property owner when attempting to transfer property without fully understanding creditor and revocability issues. Your Committee notes, however, that the measure as received does not adequately address the transfer process for property registered in the Land Court.

Your Committee has amended this measure by:

- (1) Clarifying when the transfer of the property will occur for property of which any portion is registered in the Land Court pursuant to chapter 501, Hawaii Revised Statutes;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2799, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2799, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2538 Judiciary and Government Operations on S.B. No. 2350**

The purpose of this measure is to propose a constitutional amendment to allow the student member of the Board of Education to be a voting member of the Board and mandate that the student Board of Education member be selected by public secondary school students in an election conducted by the Hawaii State Student Council.

Your Committee finds that having the student member on the Board of Education elected by students will not only assist the Board in developing insight into the perspectives of students but will also provide a means by which Hawaii's public school students will be more personally empowered and vested in determining their educational future.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2350, 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 (Bunda, Takamine).

**SCRep. 2539 Judiciary and Government Operations on S.B. No. 2570**

The purpose of this measure is to propose a constitutional amendment to require voting members of the Board of Education to be appointed by the Governor from pools of qualified candidates presented by the Board of Education Candidate Nomination Commission, with the advice and consent of the Senate, as provided by law.

Your Committee finds that the nomination and appointment process identified in this measure will increase the Board of Education's accountability for all matters relating to public education in Hawaii. Your Committee also finds that the use of a Board of Education Candidate Nomination Commission will produce a number of qualified candidates that will help to provide a clear vision for the Board of Education going forward.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2570, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Nishihara, Taniguchi). Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2540 Judiciary and Government Operations on S.B. No. 2121**

The purpose of this measure is to allow the Early Learning Council to conduct meetings by teleconference and to establish quorum and public notice and participation requirements for the teleconference meetings.

Your Committee finds that the State's Sunshine Law allows boards to hold long-distance meetings with appropriate protections for the public. Section 92-3.5, Hawaii Revised Statutes, which provides for videoconference meetings, was amended in 2006 to allow a videoconference meeting to continue if the video connection goes down but the audio connection remains. At that time the Legislature declined, however, to allow boards to meet purely by teleconference. Your Committee understands the concerns regarding allowing one entity to meet by teleconference, but not all boards and commissions to do so. Your Committee believes this is an issue that will be further discussed as this measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2121 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2541 (Majority) Judiciary and Government Operations on S.B. No. 2873**

The purpose of this measure is to exempt teachers from the Code of Ethics to allow teachers to provide instruction, for compensation, to current, future, or former students when special circumstances exist.

Your Committee finds that the school furlough situation has resulted in students and teachers in Hawaii spending fewer days in the classroom than in any other state. Teachers have tried to ameliorate the absence of instruction by offering to provide paid instruction on their own. However, the Code of Ethics prevents teachers from providing paid services to students on furlough days. This measure addresses that predicament by removing the potential for ethics conflict.

Your Committee also finds that this measure is a result of the imposition of school furloughs. In light of this finding, your Committee has amended this measure by inserting a sunset date of July 1, 2012, in anticipation that furloughs would cease by then.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2873, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2873, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Nishihara). Noes, 1 (Slom). Excused, 2 (Bunda, Takamine).

**SCRep. 2542 Judiciary and Government Operations on S.B. No. 2116**

The purpose of this measure is to facilitate the process by which the Department of Education obtains approval for the State to indemnify, defend, and hold harmless a county agency, its officers, agents, and employees for public school purposes and functions on county facilities.

Your Committee finds that public schools frequently use county parks and other facilities for school functions, and the current requirement that the schools obtain the consent from the Governor for such purposes is unnecessarily burdensome, especially for school purposes and functions that occur repeatedly throughout the school year. Your Committee finds the approval process that the Department of Education is required to complete several times every year for the same activities under existing law is streamlined by this measure.

Your Committee has amended this measure by 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2116, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2116, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2543 Judiciary and Government Operations on S.B. No. 2775**

The purpose of this measure is to clarify provisions related to publicity rights by:

- (1) Renaming "publicity rights trade name registration" as "publicity rights name registration" under chapter 482P, Hawaii Revised Statutes; and
- (2) Giving the Department of Commerce and Consumer Affairs discretion to implement the law in a manner that complies with the law's legislative intent.

Your Committee finds that this measure will prevent confusion for those registering publicity rights names by separating this registration from traditional trade name registration. In addition, the measure clarifies that the Department of Commerce and

Consumer Affairs' role is purely ministerial and provides discretion to the Director of Commerce and Consumer Affairs in implementing the registration procedures.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2775, 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 (Takamine).

**SCRep. 2544      Judiciary and Government Operations on S.B. No. 2356**

The purpose of this measure is to reduce noise and air pollution by:

- (1) Prohibiting the use of gas-powered leaf blowers;
- (2) Establishing restrictions and requirements for the use of leaf blowers on or near residential zones; and
- (3) Prohibiting leaf blowers from blowing debris onto adjacent property without permission from the adjacent property owner.

Your Committee finds that that the health risks associated with the use of leaf blowers requires stricter limitations on their use. In addition, electric leaf blowers are dramatically quieter than gas-powered leaf blowers, and prohibiting the use of gas-powered leaf blowers will reduce the risks associated with noise pollution.

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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2356, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2356, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2545      (Majority) Judiciary and Government Operations on S.B. No. 2559**

The purpose of this measure is to require businesses in the State to distribute only reusable or biodegradable checkout bags.

Worldwide production of single-use, plastic grocery bags is estimated to be over five hundred billion each year. Most end up in landfills where they can last for a thousand years. Except for those bags that are recycled and the approximately five per cent that are burned in garbage-to-energy plants each year, the remaining plastic bags that have ever been made are still in the environment. Plastic bags kill an estimated one hundred thousand marine animals each year. Taxpayers spend as much as seventeen cents per plastic bag to subsidize the recycling, collection, and disposal of plastic bags.

Your Committee finds that reducing the number of plastic bags produced and used annually will protect marine and animal species, reduce costs related to waste disposal, reduce fossil fuel consumption for their production, and reduce the non-biodegradable litter cluttering our oceans and beaches.

Your Committee recognizes that there may be several solutions to this problem, including requiring retailers to charge for bags. This method has successfully reduced single-use, plastic bag usage by eighty per cent in businesses and nations that have implemented the change. Your Committee would like to explore this concept in the future.

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 changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2559, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2559, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Nishihara). Noes, 1 (Slom). Excused, 2 (Bunda, Takamine).

**SCRep. 2546      Commerce and Consumer Protection on S.B. No. 2423**

The purpose of this measure is to specifically provide condominium boards of directors with the authority to install or allow, under certain circumstances, the installation of solar energy or wind energy devices on the common elements.

The measure authorizes the board of directors of an association to install or cause the installation of solar energy devices and wind energy devices on the common elements of a condominium property, including leasing or licensing the common elements for the installations; provided that such devices are not installed upon any limited common element without the consent of the owner or owners of the unit or units for the use of which the limited common element is reserved. In addition, the measure establishes that the board of director's installation of solar energy devices and wind energy devices on the common elements of the condominium project shall not be deemed to alter, impair, or diminish the common interest, common elements, and easements appurtenant to each unit, or to be a structural alteration or addition to any building constituting a material change in the plans of the condominium project and that the installation of such devices shall directly affect any nonconsenting unit owner.

Your Committee finds that this measure capitalizes on an opportunity to further reduce the State's dependence on fossil fuels by facilitating the installation of renewable energy devices on common elements of condominiums. Your Committee further finds that this measure provides a benefit not only to the State but also to condominium owners who have the potential to reduce their energy costs and to lease or license common elements for the installation of those renewable energy devices.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2423, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2423, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Ige, Ihara).

**SCRep. 2547 Judiciary and Government Operations on S.B. No. 2226**

The purpose of this measure is to establish a task force to develop an efficient, cost-effective process for creating and operating an identification database of senior citizens to be used when senior citizens go missing.

Your Committee finds that there is a growing problem with senior citizens going missing within the community and not being able to find their way back to their homes or tell others where they live. Your Committee also finds that an identification system would aid the agencies responsible for finding missing or lost senior citizens with getting them back to their homes.

Your Committee has made 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2226, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2226, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2548 Judiciary and Government Operations on S.B. No. 2662**

The purpose of this measure is to:

- (1) Extend the prohibition against promoting pornographic material to minors to include disseminating pornographic material to a minor known to be younger than eighteen or another person who represents himself or herself to be a minor; and
- (2) Add the offense of promoting child abuse in the third degree to the information charging law.

Your Committee finds that in this age of electronic communication, children are in need of greater protection from predators. Your Committee also finds that grooming is a key aspect of this predatory behavior, and it usually involves conduct to gain the child's trust and develop a relationship. Often times the predator sends the child pornographic images to start the grooming process. Your Committee further finds that law enforcement is supportive of stricter laws to protect children from internet predators and those attempting to disseminate pornography to them.

Your Committee also finds that by giving law enforcement the ability to use the information charging process for the offense of promoting child abuse in the third degree, this measure will conserve judicial, prosecutorial, and police resources.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of accuracy in the statutory language.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2662, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2662, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2549 Judiciary and Government Operations on S.B. No. 2368**

The purpose of this measure is to:

- (1) Permit the Family Court to award reasonable visitation rights to grandparents, if, among other things, denial of visitation would cause significant harm to the child;
- (2) Establish a rebuttable presumption that the parent's decision regarding grandparents' visitation rights is in the best interests of the child; and
- (3) Establish factors for the court to consider when determining significant harm to the child.

Your Committee finds that the relationship between grandparents and grandchildren is valuable in a child's development into adulthood, and when grandparents provide a positive influence, they should be allowed visitation. Your Committee also finds that courts should be provided with objective criteria to evaluate whether the granting of grandparents' visitation rights are in the best interests of the child.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2368 and recommends that it pass Third Reading.



Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2550 Judiciary and Government Operations on S.B. No. 2474**

The purpose of this measure is to encourage minors to call for help in the event of an alcohol-related medical emergency by:

- (1) Providing, under certain conditions, immunity from prosecution to the minor for the consumption, purchase, or possession of liquor, if the minor summons medical treatment for another minor who requires the treatment as a result of consuming liquor; and
- (2) Providing similar immunity, under certain conditions, to the minor who required the medical treatment and one or two other minors acting in concert with the minor summoning medical treatment.

Your Committee finds that minors faced with a medical emergency as a result of excess drinking of alcohol often hesitate to call for help because of the fear of facing legal charges related to alcohol possession and use by a minor. Providing immunity under these limited circumstances has proven to be an effective means of saving lives by encouraging young people to call for help. Your Committee finds that although underage drinking is a continuing problem, it is important for minors to have this immunity to help save lives in our community.

Your Committee has made 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2474, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2474, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2551 Judiciary and Government Operations on S.B. No. 2162**

The purpose of this measure is to amend the Crime Victims' Bill of Rights to include notice to the victim and surviving immediate family members as to an offender's unfitness to stand trial, transfer to the state hospital or other psychiatric facility, or regaining fitness to proceed.

This measure also requires the Director of Health to provide notification of an offender's unauthorized absences to the victim witness assistance division of the applicable county department of the prosecuting attorney, so that the victim witness assistance division can in turn notify the victim and surviving immediate family members by the most reasonable and expedient means.

Your Committee finds that the safety, emotional, and justice needs of victims are equally compelling when an offender is confined in a mental health facility as when a convict is incarcerated in a prison. Under existing law, victims and surviving immediate family members, upon written request, must be notified of "major developments" in certain felony cases. However, clarification of "major developments" is required to ensure timely notification of certain planned custodial changes for the offender and unauthorized absences of the offender. This measure provides that clarification.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2162, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2162, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2552 Judiciary and Government Operations on S.B. No. 2276**

The purpose of this measure is to:

- (1) Establish the unlawful possession of an open liquor container on a public highway, public sidewalk, sidewalk within a public housing project, or common area of a public housing project; and
- (2) Establish possession of an open liquor container on a sidewalk within a public housing project or common area of a public housing project to be prima facie evidence of consumption of liquor.

Your Committee finds that Act 34, Session Laws of Hawaii 2008, established the current provisions that no liquor shall be consumed in common areas of public housing projects. However, the police are unable to arrest someone holding a container of beer unless the police observe the person putting the container to their mouth, or unless a witness is willing to testify to that effect. Your Committee also finds that this measure will clarify the prohibition and assist in deterring drinking on a sidewalk within a public housing project or common area of a public housing project.

Your Committee notes that this measure is similar to S.B. No. 535, a measure your Committee passed last year in an effort to curb the imbibement of alcoholic beverages in public areas of public housing projects.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2276, 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 (Takamine).

**SCRep. 2553      Judiciary and Government Operations on S.B. No. 2099**

The purpose of this measure is to ensure continuity of care for the QUEST-eligible population in Hawaii and to make certain that Medicaid contracts reflect expectations outlined in national health care reform, by establishing restrictions on the issuance of request for proposals for QUEST contracts.

Specifically, this measure restricts the Department of Human Services from issuing requests for proposals for contracts over \$100,000,000 for the QUEST health plans in the year 2010.

Your Committee finds that there are a number of changes in the future for both Medicaid and the Department of Human Services, such as federal guideline changes for Medicaid and a soon-to-be changing executive branch administration. Additional changes also include significant delays in payments to QUEST-contracted medical providers and the shift of behavioral health clients to the Department of Health. Your Committee also finds that issuing a request for proposals for QUEST health plans is inappropriate due to the fluidity of the Department of Human Services at this time as well as the cost considerations for both health care providers and the Department of Human Services. State budget restrictions are being imposed on numerous departments and programs, and issuing a request for proposals would be imprudent at this time.

Your Committee has made 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2099, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2099, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2554      Judiciary and Government Operations on S.B. No. 2726**

The purpose of this measure is to amend the law governing the time frames for fitness restoration for persons charged with non-violent petty misdemeanors and non-violent misdemeanors.

Specifically, this measure establishes:

- (1) A sixty day maximum commitment if the defendant is charged with a non-violent petty misdemeanor;
- (2) A one hundred twenty day maximum commitment if the defendant is charged with a non-violent misdemeanor; and
- (3) Procedures for release and dismissal of charges or involuntary civil commitment, as appropriate.

Your Committee finds that the existing requirement in section 704-406, Hawaii Revised Statutes, that pretrial defendants receive their fitness determination "within a reasonable time" is vague. Your Committee also finds that this measure provides specific timelines on hospitalization for fitness restoration, thereby allowing everyone involved in the criminal process to proceed on an appropriate timetable.

Your Committee has made technical, nonsubstantive stylistic changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2726, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2726, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2555      Judiciary and Government Operations on S.B. No. 2728**

The purpose of this measure is to establish a process to review and improve trauma care in the State.

Specifically, this measure establishes quality assurance and peer review committees, authorizes these committees to establish subcommittees for the purpose of making recommendations to the Department of Health on trauma system improvements, and provides statutory protection from discovery for the Department of Health trauma care multiagency and multidisciplinary peer review and quality assurance subcommittees.

Your Committee finds that the Department of Health has been charged in section 321-22.5, Hawaii Revised Statutes, with building a comprehensive statewide trauma system in order to save lives and improve outcomes of injured patients. The trauma system will consist of multiple emergency medical service agencies, hospitals, and committees formed to review and improve the care provided to patients within the system. The multidisciplinary quality assurance and peer review committees in this measure would seek broad participation within health organizations to produce improvements in patient care.

Your Committee supports the intent of this measure but shares concerns that the measure, as drafted, is overly broad and would benefit from further discussion.

Your Committee has amended this measure by:

- (1) Amending the references of peer review and quality assurance subcommittees to advisory committees in order to avoid confusion and differentiate these committees from existing quality assurance and peer review committees that function in a different manner;

- (2) Clarifying that within any advisory committee, a system performance review subcommittee may be created to review confidential patient care records and related documents to make recommendations on improvements to the trauma care system, and to exempt the system performance review subcommittee from the State's Sunshine Law;
- (3) Clarifying that a system performance review subcommittee shall not be compelled to testify about the patient care records reviewed;
- (4) Clarifying that only patient care and related documents be designated as confidential and exempt from discovery, except under certain conditions; and
- (5) 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2728, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2728, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2556 (Majority) Judiciary and Government Operations on S.B. No. 2383**

The purpose of this measure is to authorize the Department of Labor and Industrial Relations to exercise enforcement powers against employers in a covered establishment that would require the employer to give employees at least sixty days notice of closing, relocation, or divestiture of the business.

Your Committee finds that it is important for employees to be notified of a significant change in their employment and requiring the employer to give them adequate notice is good for business and is good public policy. Your Committee also finds that this measure mandates the Department of Labor and Industrial Relations to exercise its enforcement powers to ensure that employers comply with the provisions of this section. This further ensures that employers are held responsible for their non-compliance and aids in promoting better work environments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2383 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Takamine).

**SCRep. 2557 (Majority) Judiciary and Government Operations on S.B. No. 2883**

The purpose of this measure is clarify that, with regard to an employer's sick leave benefits, policies, or provisions, when there is a conflict between a collective bargaining agreement and any house rules or policies adopted by the employer, the terms of the collective bargaining agreement shall prevail.

Your Committee finds that this measure necessarily follows from the constitutional right of private employees to organize for the purpose of collective bargaining under article XIII, section 1, of the Hawaii State Constitution by ensuring that sick leave benefits lawfully negotiated and executed in a collective bargaining agreement shall not be abrogated by employer policies.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2883, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Takamine).

**SCRep. 2558 Judiciary and Government Operations on S.B. No. 2843**

The purpose of this measure is to recognize and require the prisoner of war/missing in action flag to be flown with the U.S. and Hawaiian flags.

Your Committee finds that this measure would enhance state recognition of the thousands of Americans who were officially captured and interned as prisoners of war, and the thousands of others who were officially reported as missing in action. Flying the POW/MIA flag would be an appropriate honor and tribute, particularly on buildings under the jurisdiction of the State Department of Defense.

Your Committee has amended this measure accordingly, by:

- (1) Limiting the flag requirement to buildings under the jurisdiction of the State Department of Defense;
- (2) Amending the effective date to July 1, 2040, for the purpose of encouraging further discussion; and
- (3) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2843, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2843, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2559 Judiciary and Government Operations on S.B. No. 2137**

The purpose of this measure is to allow military personnel deployed outside the State on federal active duty to cancel or suspend health club membership at any time during the contract term under certain conditions.

Your Committee finds that military personnel enter into agreements with health clubs in good faith and have no control over deployment orders. Moreover, while the federal Servicemembers Civil Relief Act provides benefits to military personnel who are deployed on active duty in the context of rental agreements, credit card interest rates, income tax payment, and other terms, it is unclear whether its provisions would also allow military personnel to cancel or suspend a health club contract. This measure provides needed clarification and also provides for a pro rata refund of consideration paid by military personnel under the contract.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2137, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2560 Judiciary and Government Operations on S.B. No. 2025**

The purpose of this measure is to:

- (1) Repeal the provision requiring annual review by the Hawaii Paroling Authority of paroled prisoners who are not granted a final discharge and full pardon; and
- (2) Repeal the provision allowing a paroled prisoner who enters into military service of the United States to petition for final discharge from parole based on an honorable discharge from the military.

According to previous testimony of the Hawaii Paroling Authority, the intent of this measure is to update current law and to streamline the workload for staff at the Hawaii Paroling Authority. Your Committee finds that the Hawaii Paroling Authority should ensure that inmates appropriate for release are timely reviewed and not incarcerated for longer than is necessary, to provide inmates with the incentive to continue working on their rehabilitation and reentry into the community. This measure helps streamline the Hawaii Paroling Authority's duties and should result in more efficient operation of the Authority.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2025, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2025, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2561 Judiciary and Government Operations on S.B. No. 2768**

The purpose of this measure is to allow the Hawaii Paroling Authority to use a continuum of administrative sanctions in lieu of re-incarceration when a parolee violates a term or condition of parole.

Administrative sanctions under this measure include modification of the terms and conditions of parole, community service, house arrest or home detention, electronic surveillance or monitoring, substance abuse and sex offender treatment, anger management and domestic abuse counseling, and return to custody.

Your Committee finds that providing a parolee with appropriate treatment may reduce recidivism and save money and lives. In this regard, the availability of a continuum of administrative sanctions will facilitate the Hawaii Paroling Authority in working with offenders in the community, under circumstances where, among other things, the parolee's presence in the community would not compromise public safety. Your Committee notes that as part of the continuum of administrative sanctions, if the Hawaii Paroling Authority deems it appropriate, the parolee will be returned to custody for a length of time to be determined by the Authority but not to exceed two years in the case of a technical violation. Your Committee also notes that the administrative sanctions made available by this measure will not apply to a parolee that has a pending criminal matter, has violated a term or condition of parole for the third time, or has a prior parole revocation.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

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

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2562 Judiciary and Government Operations on S.B. No. 950**

The purpose of this measure is to authorize law enforcement officers of the Department of Public Safety and conservation and resources enforcement officers of the Department of Land and Natural Resources to use electric guns and related equipment while performing their duties.

This measure also requires law enforcement officers of the Department of Land and Natural Resources and the Department of Public Safety who are authorized to use electric guns and related equipment to first receive training in the use of electric guns. Additionally, this measure requires the Conservation and Resources Enforcement Program of the Department of Land and Natural Resources to obtain law enforcement accreditation or recognition from a nationally-recognized law enforcement accreditation or

credentialing program in the use of electric guns, prior to purchasing and obtaining training in the use of electric guns and related equipment.

Your Committee finds that electric guns provide a viable alternative to the escalation of the use of deadly force when dealing with non-compliant combative suspects, particularly in remote areas of the State. Electric guns reduce the risk of serious injury or death by providing a less-than-lethal means of exerting force when necessary.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 950, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 950, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2563 (Majority) Judiciary and Government Operations on S.B. No. 2755**

The purpose of this measure is to promote safer roadways and fewer distractions while driving by prohibiting the use of mobile electronic devices while operating a motor vehicle.

Written comments in support of this measure were submitted by one state agency, three county agencies, two private organizations, and four individuals. Written comments were submitted by one county agency. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure encourages more focused and responsible driving, reducing the risk of accidents and injuries.

Upon further consideration of the comments submitted, your Committee finds that drivers are not authorized under this measure, as written, to use two-way radios while operating smaller public utility vehicles to perform important work-related troubleshooting and supervisory duties. Accordingly, your Committee has amended this measure by:

- (1) Adding an exemption for drivers who are using two-way radios while operating vehicles owned by a public utility in the performance and scope of their work-related duties; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2755, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2755, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Takamine).

**SCRep. 2564 (Majority) Judiciary and Government Operations on S.B. No. 2614**

The purpose of this measure is to authorize the court, in its discretion, to order forfeiture of a defendant's vehicle if the defendant is in violation of the offense of excessive speeding and the vehicle was used in the commission of at least two prior excessive speeding convictions.

Your Committee is aware that numerous community concerns have been raised regarding drivers who operate their vehicles at unsafe speeds and endanger the lives of fellow motorists and pedestrians. The consequences of excessive speeding can be particularly egregious. Clearly, forfeiture of a repeat offender's vehicle will help to deter the offender from continuing to drive at excessive speeds.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2614 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Takamine).

**SCRep. 2565 Judiciary and Government Operations on S.B. No. 2187**

The purpose of this measure is to:

- (1) Authorize the Hawaii Tourism Authority to maintain the confidentiality of competitively sensitive information;
- (2) Align performance goals with the Authority's strategic plan goals; and
- (3) Preserve Hawaii Tourism Authority fiscal autonomy provisions of Act 58, Session Laws of Hawaii 2004, as amended, by deleting repeal and reenactment provisions scheduled to take effect on June 30, 2010.

Your Committee finds that this measure will allow the Hawaii Tourism Authority to withhold from public disclosure competitively sensitive information, including completed survey and questionnaire forms, coding sheets, and database records of the information, and keep confidential information gathered from visitors that is necessary for research. The measure also clarifies the types of information the Board of Directors of the Hawaii Tourism Authority may consider in executive session, which is closed to the public.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2187, 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 (Bunda, Takamine).

**SCRep. 2566      Judiciary and Government Operations on S.B. No. 2169**

The purpose of this measure is to prohibit the possession, sale, and distribution of shark fins in Hawaii.

When shark fins are harvested, the shark is caught, the fin is cut off, and the shark is returned to the water to die a slow death. This results in tens of millions of shark deaths each year. Unlike other fish species, sharks do not reach the age of sexual maturity until seven to twelve years of age and then only give birth to a small litter of young. Sharks are apex marine predators and play a key role in the ecosystem of the ocean; without them other species would overpopulate, causing an imbalance in ocean life.

Your Committee finds that shark finning has been deemed to be cruelty to animals and that current federal and state law is ineffective with deterring the practice. Your Committee has concerns about the statutory construction of this measure, however, and believes the measure should continue to be evaluated and discussed further as it moves through the legislative process.

Accordingly, your Committee has amended this measure by changing 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2169, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2169, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2567      (Majority) Judiciary and Government Operations on S.B. No. 2807**

The purpose of this measure is to propose an amendment to article VII, section 6, of the Constitution of the State of Hawaii to amend the requirement that excess general fund revenues be returned to taxpayers of the State as a tax refund and instead allow the Legislature to deposit these excess revenues into the emergency and budget reserve fund as an alternative.

Your Committee finds that prudent state financial planning necessitates that the State accumulate excess revenue for expenditure at times of economic downturn resulting in diminished tax revenues. Your Committee notes that this measure leaves discretionary authority with the Legislature to refund excess general fund revenues or to deposit those revenues into the emergency and budget reserve fund.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2807, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2807, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Takamine).

**SCRep. 2568      Ways and Means on S.B. No. 2593**

The purpose of this measure is to promote greater accountability in the granting of general excise tax exemptions for housing projects.

Specifically, this measure requires the Hawaii Housing Finance and Development Corporation to conduct periodic reviews of housing projects that receive general excise tax exemptions to ensure that the projects continue to meet eligibility requirements under the exemption. This measure also requires the Hawaii Housing Finance and Development Corporation to adopt rules instituting penalties to be imposed on claimants who received or continue to receive general excise tax exemptions despite being ineligible.

Your Committee received written comments in opposition to the measure from the Hawaii Housing Finance and Development Corporation. The Hawaii Association of Realtors submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that many affordable housing projects in the State receive general excise tax exemptions. Your Committee also finds that the number of housing projects meeting the exemption criteria and those actually receiving the exemption is unknown. Your Committee believes that, with proper oversight by the Hawaii Housing Finance and Development Corporation, the State will be able to collect all general excise tax revenues owed and ensure that the affordable housing projects receiving tax exemptions are in compliance with requirements to receive or retain the exemption.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2593, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Tsutsui). Noes, none. Excused, 1 (Hemmings).

**SCRep. 2569      Ways and Means on S.B. No. 2256**

The purpose of this measure is to authorize the Department of Education to regulate parking on roads and parking areas under its jurisdiction.

Your Committee received comments in support of this measure from the Board of Education. The Department of Budget and Finance provided comments in opposition to this measure. Written comments may be reviewed on the Legislature's website.



Your Committee finds that the Department of Education does not have the authority to assess parking fees at schools and other educational facilities. Your Committee believes that any parking fees collected by the Department will directly benefit education in the State by augmenting the Department's budget capabilities and its ability to administer the State's public schools.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2256, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2570 Ways and Means on S.B. No. 2434**

The purpose of this measure is to adjust the salary caps of the Superintendent of Education, the Deputy Superintendent, the Assistant Superintendents, the Complex Area Superintendents, and the State Librarian.

Your Committee received written comments on the measure from the Board of Education. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the current law sets specific figures as salary caps for the Superintendent of Education and the State Librarian, and sets the salary caps of the Deputy Superintendent, the Assistant Superintendents, and the Complex Area Superintendents as percentages of the salary cap of the Superintendent of Education.

Your Committee finds that by adjusting the salary caps of all these officials based ultimately upon the salary of the highest paid school-, district-, or state-level administrator in the Department of Education, this measure will provide the Board of Education with the flexibility to attract and retain competent individuals to build and maintain a strong statewide public education and public library 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 is in accord with the intent and purpose of S.B. No. 2434, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2571 Ways and Means on S.B. No. 2960**

The purpose of this measure is to restructure the administration of the Department of Education.

More specifically, this measure divides the Department of Education into two major divisions:

- (1) The Academic Achievement Division, which will be responsible for improvements in student achievement and administering educational policy; and
- (2) The Administrative Division, which will be responsible for providing quality support and central services.

This measure also establishes two deputy superintendent positions, to be appointed by the Superintendent of Education, to head the new divisions.

Your Committee received no written comments on this measure.

Your Committee finds that this measure would implement a key recommendation of the Task Force on Reinventing Government by realigning the Department of Education's functions and redistributing existing administrators' responsibilities to improve the organizational structure and accountability of the Department. Your Committee further finds that this measure is budget-neutral and will require no additional funding to implement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2960 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2572 Ways and Means on S.B. No. 2889**

The purpose of this measure is to transfer all land and facilities used by the Department of Education to operate the Keakealani Outdoor Education Center to the Volcano School of Arts and Sciences.

Your Committee received comments in support of this measure from the Volcano School of Arts and Sciences. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the State's charter schools do not have the same level of support and use of facilities as their counterparts operated by the Department of Education. Your Committee also finds that the Volcano School of Arts and Sciences, on the island of Hawaii, is a charter school that is in need of facilities for student classroom activities.

Your Committee further finds that the Keakealani Outdoor Education Center, operated by the Department of Education, could benefit the Volcano School of Arts and Sciences by providing sorely needed facilities near the school. Your Committee believes that the transfer of Keakealani Outdoor Education Center to the Volcano School of Arts and Sciences will enhance and expand the school's educational 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 S.B. No. 2889 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2573 Ways and Means on S.B. No. 2567**

The purpose of this measure is to require the Department of Education to approve one set of teaching materials that is consistent with the Race to the Top fund selection criteria for standards and assessments.

Additionally, this measure requires:

- (1) All public schools to use the approved set of teaching materials, except upon approval of a waiver;
- (2) The standards-based curriculum to include the set of teaching materials; and
- (3) The Department of Education to collaborate with the Joint Venture Education Forum and the Department of Defense Education Activity in the selection and approval of the standard set of teaching materials.

Your Committee finds that the use of a standard set of teaching materials would improve the overall quality of education for all students, including students who transfer into or between schools in the public education system, including children who are military dependents. Your Committee also finds that the implementation of a standard set of teaching materials will allow the State to be competitive in the federal Race to the Top program and for other grants. Additionally, your Committee finds that the use of a standard set of teaching materials will result in a cost savings for the State and allow for negotiations relating to professional development to include standard teaching materials.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2567, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2574 Ways and Means on S.B. No. 2595**

The purpose of this measure is to require that the gross annual income of households in a housing project developed by a qualified person or firm be calculated according to the United States Department of Housing and Urban Development's method of calculation for determining eligibility for the Federal Housing Choice Voucher (section 8) program, in order for the person or firm to be considered to receive a general excise tax exemption.

Your Committee received written comments in opposition to this measure from Ford Island Housing and the Chamber of Commerce of Hawaii. Written comments may be reviewed on the Legislature's website.

This measure will provide objective criteria for determining tax exemption status by basing qualification for a general excise tax exemption on gross annual income and occupancy percentages of an affordable housing project. Your Committee finds that this measure establishes a fair and just connection between gross annual income and qualification for a general excise tax exemption for affordable housing 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. 2595, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Tsutsui). Noes, none. Excused, 1 (Hemmings).

**SCRep. 2575 Ways and Means on S.B. No. 2145**

The purpose of this measure is to transfer the Small Business Regulatory Review Board ("Board") from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs.

Furthermore, this measure finances the operations of the Board entirely through the compliance resolution fund and authorizes the Board to employ a small business advocate.

Your Committee received written comments in support of the measure from the Small Business Regulatory Review Board and one individual. The Department of Commerce and Consumer Affairs submitted comments in opposition to the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the transfer will provide financial stability to the Board, thus enabling it to effectively continue its operations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2145, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2576 Commerce and Consumer Protection on S.B. No. 2357**

The purpose of this measure is to require a gas utility to submit an annual report to the Public Utilities Commission that contains information on the manufacture and distribution of natural gas in the State.

Your Committee received testimony in support of this measure from the Public Utilities Commission, The Sierra Club, Hawaii Chapter, and the Blue Planet Foundation. Testimony with comments on this measure was received from The Gas Company. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will assist the Public Utilities Commission in determining whether the State's gas utility has the capacity to meet renewable portfolio standards to ultimately achieve the Hawaii Clean Energy Initiative's goal of seventy per cent clean, renewable energy by 2020. Your Committee further finds that this measure will incentivize the use of non-petroleum sources to create natural gas by increasing transparency in the energy-production process. Finally, your Committee notes that this measure, as amended, is the result of collaboration among all interested parties and contains language that provides for more appropriate reporting for the purpose of collecting complete and accurate information.

Your Committee has amended this measure by:

- (1) Adding a purpose section to make clear the goal of this measure, which is to establish an accurate and thorough reporting system for renewable energy efforts by a gas utility provider;
- (2) Clarifying the reporting requirements for a gas utility company;
- (3) Specifying that certain proprietary information is not subject to reporting requirements;
- (4) Deleting the definition of "renewable energy" and adding new definitions of "feedstock", "total feedstock", and "non-petroleum feedstock"; and
- (5) Delaying the implementation of the reporting requirement to December 2011 in order to allow the parties sufficient time to implement the necessary procedures.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2357, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2357, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2577 Commerce and Consumer Protection on S.B. No. 2488**

The purpose of this measure is to ensure that net energy metering, the system whereby customers who generate electricity primarily for their own consumption using solar, wind turbine, biomass, or hydroelectric facilities sell excess electricity to the electric utility company, should be continued in perpetuity.

Specifically, the measure, among other things:

- (1) Prohibits an electric utility from unreasonably denying, burdening, or delaying net energy metering service that is requested by an eligible customer-generator;
- (2) Establishes definitions for "net surplus customer-generator" and "net surplus electricity compensation rate";
- (3) Amends the definition of "eligible customer-generator" to include customers who lease or purchase electricity from a qualifying facility;
- (4) Increases eligible customer-generator maximum capacity to two megawatts;
- (5) Increases the total allowable generating capacity produced by customer-generators from 0.5 per cent of a utility's peak demand to fifteen per cent of the customer-generators distribution feeder's penetration level or the penetration level that triggers additional technical study, as determined by the Public Utilities Commission by rule or order, whichever is higher;
- (6) Clarifies that the net surplus electricity compensation rate shall be set at the prevailing feed-in tariff rate for the project size for the year the project is placed in service;
- (7) Permits existing net-metered customers to remain with the net metering program even after alternative credits or compensation mechanisms are established;
- (8) Raises the electricity production threshold that triggers the requirement that the Public Utilities Commission's approve safety and performance standards for customer-generator systems from ten kilowatts for all customer-generators to up to five hundred kilowatts on Oahu, two hundred fifty kilowatts on Maui and Hawaii, and one hundred kilowatts on Molokai and Kauai;
- (9) Requires the Public Utilities Commission adopt best practices interconnection standards for certain renewable energy facilities by December 31, 2010;
- (10) Requires the Public Utilities Commission to establish the net surplus electricity compensation rate by January 1, 2011; and
- (11) Establishes that the net surplus electricity compensation rate shall apply to net surplus electricity credits that have accrued for any twelve-month reconciliation period that is in progress on September 1, 2010, and establishes payment schedules for the credits.

Although alternative compensation systems, such as the feed in tariff, are being developed by electric utilities, net energy metering has a history of proven effectiveness and serves different needs in the renewable energy marketplace. This measure not only helps to reduce Hawaii's reliance on imported fossil fuels but it provides consumers with a financial incentive to make the initially expensive but cost-effective long term investment in alternative energy for homes and businesses.

Your Committee received testimony in support of this measure from the Blue Planet Foundation, the Hawaii Solar Energy Association, and the Hawaii Renewable Energy Alliance. Testimony in opposition to this measure was received from the Public

Utilities Commission, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will expand the allowable system size for net metered systems and will allow solar credits to retain their values for longer than twelve months. These changes may encourage more consumers to invest in alternative energy for their homes and businesses.

Your Committee further finds that it is in the State's interest to encourage alternative energy use by residents in order to make Hawaii more self-reliant in terms of energy production, to save some of the prodigious amounts of money spent outside of Hawaii on imported fossil fuels, and to help preserve our environment.

Your Committee has amended this measure by:

- (1) Leaving blank the amount of kilowatts a customer-generator may produce before approval from the Public Utilities Commission for safety and performance standards is required pending further discussion with the stake holders;
- (2) Changing the net energy metering reconciliation period from twelve to thirty-six months;
- (3) Deleting the provision that set the net surplus compensation rate at the prevailing feed-in tariff rate for the project size for the year the project is placed in service in order to allow the public utilities commission to set the compensation rate according to its statutory prerogative;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion of this measure; and
- (5) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2488, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2488, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Hemmings, Ihara).

**SCRep. 2578 Ways and Means on S.B. No. 2548**

The purpose of this measure is to implement a key recommendation of Auditor Report No. 09-06 to establish a Chief Information Officer and an Information Technology Steering Committee to organize, manage, and oversee statewide information technology governance.

Your Committee received written comments in support of this measure from the High Technology Development Corporation. Your Committee received written comments in opposition to this measure from the Office of the Governor. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the State will benefit from having a high level Chief Information Officer and Information Technology Steering Committee to streamline existing government operations through strategic information technology planning. Your Committee further finds that a dedicated source of funding should be available for the operations of the Chief Information Officer and Information Technology Steering Committee.

Accordingly, your Committee has amended this measure by:

- (1) Establishing the shared services technology special fund to be funded by an unspecified percentage of central service fees;
- (2) Exempting the shared services technology special fund from payments for central service expenses under section 36-27, Hawaii Revised Statutes, and departmental administrative expenses under section 36-30, Hawaii Revised Statutes;
- (3) Changing the effective date to January 1, 2099, to facilitate further discussion on the measure; and
- (4) 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. 2548, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2548, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2579 Ways and Means on S.B. No. 2451**

The purpose of this measure is to require funding allocations for remote schools to be determined by categorical allotments rather than the weighted student formula.

Your Committee finds that the weighted student formula has placed small remote schools at a disadvantage by failing to provide those schools with adequate funding. Your Committee also finds that as a result, the funding shortfalls threaten the schools' ability to provide students with the courses necessary for graduation. This measure addresses the problem by exempting remote schools from allocations using the weighted student formula and providing that those schools shall be allocated funds by categorical allotments.

Your Committee 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. 2451, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2451, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2580      Ways and Means on S.B. No. 2257**

The purpose of this measure is to enable the Department of Accounting and General Services, the University of Hawaii, and the Department of Education to accept electronically mailed warrant vouchers, bills of materials, and other supporting documents as original documents.

Your Committee received written comments in support of this measure from the High Technology Development Corporation. The written comments may be reviewed on the Legislature's website.

Your Committee finds that if new state-of-the-art accounting systems are implemented in state agencies in the future, these systems may include options for attaching electronic documents to purchase orders and other contracts for review and authorization. This measure would enable these agencies to utilize "paperless" documents with valid legal effect and streamline agency operations.

Your Committee cautions, however, that in providing flexibility for the Department of Accounting and General Services, the University of Hawaii, and the Department of Education to accept electronically mailed warrant vouchers, it does not intend to cause any department to use overtime to implement these systems.

Your Committee has amended this measure by changing the effective date to January 1, 2099, 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. 2257, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2257, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2581      Ways and Means on S.B. No. 2650**

The purpose of this measure is to require Medicaid contracts between the Department of Human Services and Medicaid healthcare insurance plan contractors to contain certain provisions affecting reimbursement obligations in the policies between Medicaid healthcare insurance plan contractors and home and community-based case management agencies.

Specifically, the measure prohibits a Medicaid healthcare insurance plan contractor from reducing reimbursement rates by more than ten per cent to a home and community-based case management agency when policies are renewed.

Your Committee received written comments in support of this measure from Catholic Charities Hawai'i and two concerned individuals. Comments in opposition were submitted by the Department of Human Services. The Med-QUEST Division of the Department of Human Services submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will help home and community-based case management agencies in continuing to provide essential services to clients requiring home and community-based services.

Your Committee has amended this measure by changing the effective date to January 1, 2050, 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. 2650, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2650, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2582      Ways and Means on S.B. No. 2452**

The purpose of this measure is to increase the state fuel tax, and to direct a portion of the state fuel tax for deposit into the school transportation revolving fund.

This measure also requires the Department of Education to provide or subsidize suitable transportation for public school children in grades kindergarten to twelve or in special education classes to and from any public school except a public school within the Honolulu department district. Furthermore, this measure allows the Department of Education to provide or subsidize transportation to and from school for all children in grades kindergarten to twelve or in special education classes statewide for educational field trips with any remaining moneys in the school transportation revolving fund.

Your Committee received written comments in support of this measure from Gomes School Bus Service. Comments in opposition were received from the Department of Taxation. Capitol Consultants of Hawaii offered comments. Written comments may be reviewed on the Legislature's website.

Your Committee finds that while providing or subsidizing the cost of transportation for all children statewide in kindergarten to grade twelve or in special education classes for educational field trips is commendable, increasing the state fuel tax during the current economic and financial crises to achieve this goal is unwise.

Accordingly, your Committee has amended this measure by:

- (1) Deleting provisions to increase fuel taxes;
- (2) Deleting provisions to deposit a portion of the fuel taxes into the school transportation revolving fund;
- (3) Deleting provisions requiring remaining funds in the school transportation revolving fund to be used to subsidize educational field trips; and
- (4) 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. 2452, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2452, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2583 Ways and Means on S.B. No. 2942**

The purpose of this measure is to reorganize the administration and function of certain state agencies to maximize efficiencies by:

- (1) Transferring the Aloha Tower Development Corporation to the Hawaii Community Development Authority;
- (2) Transferring the harbors modernization group to the Department of Transportation;
- (3) Placing the commercial harbors modernization plan under the harbors modernization group; and
- (4) Appropriating an unspecified sum for consultant services to implement the commercial harbors modernization plan.

The Department of Transportation, the State Procurement Office, the Hawaii Harbors Users Group, and the Hawaii Community Development Authority submitted written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the State needs to reexamine and adjust the structure of state government to ensure that all state functions are performed as efficiently as possible in the current unfavorable financial and economic crisis. Your Committee finds that this measure can achieve efficiencies by transferring the functions of the Aloha Tower Development Corporation to the Hawaii Community Development Authority without unnecessarily delaying any of the needed improvements to the State's harbors.

Your Committee has amended this measure by:

- (1) Deleting the provision that would have exempted all procurements relating to the harbors modernization project from the state procurement code; and
- (2) Changing the effective date 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 S.B. No. 2942, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2942, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10; Ayes with Reservations (Chun Oakland, Fukunaga). Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2584 Ways and Means on S.B. No. 2470**

The purpose of this measure is to require all public schools and charter schools to provide at least two hundred classroom instructional days per year.

Your Committee received written comments in support of this measure from the Hawaii Association of Independent Schools. The Office of the Governor, Hawaii State Teachers Association, and Innovations Public Charter School submitted written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that, due to recent teacher furloughs, Hawaii public schools now provide the lowest number of classroom instructional days per year in the nation. Your Committee finds that this threatens the overall quality of education that Hawaii public schools provide to their students, and it places students at a grave disadvantage when compared against the achievement levels of other public school systems throughout the nation. Your Committee believes that establishing a mandatory minimum number of days of classroom instruction per school year will reflect the State's commitment to quality education for Hawaii's students.

Your Committee has amended this measure by:

- (1) Adding the equivalent number of instructional hours as an alternative to the minimum required number of days of classroom instruction;
- (2) Changing the effective date to January 1, 2009, to facilitate further discussion on the measure; 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 S.B. No. 2470, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2470, S.D. 2.

Signed by the Chair on behalf of the Committee.



Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2585 Ways and Means on S.B. No. 2591**

The purpose of this measure is to implement the recommendations made to the Legislature by the Legislative Reference Bureau, the University of Hawaii, and the Hawaii Teacher Standards Board concerning the Hawaii Teacher Standards Board.

More specifically, this measure addresses the role and duties of the Hawaii Teacher Standards Board by:

- (1) Requiring the board to include expenditure information in the board's annual report;
- (2) Authorizing the board to delegate to its executive director or other designee certain powers and duties it deems reasonable and proper;
- (3) Adding additional licensure renewal requirements and requiring verification that a license holder meets the renewal requirements;
- (4) Requiring the board to review the implementation of revised license fee collections and determine whether fees should be raised;
- (5) Requiring the board to develop a comprehensive plan for transferring nonessential functions and duties to other agencies;
- (6) Requiring the board to review its teacher license renewal process; and
- (7) Requiring the board and Department of Education to clarify their respective powers, duties, and responsibilities, and the relationship between the two agencies.

The Hawaii Teacher Standards Board submitted comments in support of this measure. Your Committee received comments in opposition to this measure from the Chamber of Commerce of Hawaii and Ford Island Housing. The written comments may be reviewed on the Legislature's website.

Your Committee finds that part II of Act 2, Special Session Laws of Hawaii 2009, required the Legislative Reference Bureau, the University of Hawaii at Manoa College of Education, and the Hawaii Teacher Standards Board to recommend to the Legislature improvements with respect to certain aspects of the Hawaii Teacher Standards Board. Your Committee also finds that this measure is a result of those recommendations.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2070, 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. 2591, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2591, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2586 Ways and Means on S.B. No. 2469**

The purpose of this measure is to appropriate moneys from the emergency and budget reserve fund of the State of Hawaii to maintain levels of programs determined to be essential to education, public health, and public welfare.

Specifically, this measure appropriates unspecified amounts from the emergency and budget reserve fund for: respite services; the healthy start program; grants and subsidies; kupuna care services; the aging and disability resource center; developmental disabilities medicaid waiver program; mental health services; partnerships in community living program; direct health care to the uninsured; substance abuse treatment; healthy aging partnerships program; emergency room services of the Waianae Coast Comprehensive Health Care Center; HIV/AIDS related support and services; Blueprint for Change program for Neighborhood Place Walk-In Centers; Hawaii immigrant health initiative program; Hawaii children's health care program; domestic violence shelters; Hale Mahaolu Adult program for personal care services; disproportionate share hospital costs; medicaid provider reimbursements; outstationed eligibility worker services; outreach services; outreach services to locate uninsured children; outreach services to locate uninsured adults; housing placement services; shelter plus care program; Oahu safe house program; adult dental services; medicaid; child care; general assistance; domestic violence services; pro bono legal services for indigent persons; Legal Aid Society of Hawaii to provide general civil legal services; Hawaii Family Law Clinic to provide services to obtain temporary restraining orders; Catholic Charities Hawaii to provide intra-familial sex assault services; Children's Alliance of Hawaii to provide child sex assault services; Employment Core Services program; Weed and Seed Program in Ewa Beach; Kapiolani Medical Center's operation of the Women and Children Sex Abuse Treatment Center for statewide sex assault services; and non-school hours programs.

Your Committee received comments in support of this measure from the Judiciary, State Council on Developmental Disabilities, Agency on Elderly Affairs of Kauai, Hawaii Disability Rights Center, American Association of Retired Persons, Ohana Health Plan, Easter Seals Hawaii, Healthcare Association of Hawaii, Democratic Party of Hawaii, Special Education Advisory Council, Goodwill Industries of Hawaii, Hawaii Waiver Providers Association, Ala Kuola, Blueprint for Change, the Arc of Kona, Fifty Plus Lifelong Fitness, Waikiki Community Center, EnhanceFitness, and eighteen individuals. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the following measures providing appropriations for other programs essential to education, public health, and public welfare have been introduced during this legislative session:

- (1) S.B. No. 819, S.D. 1 relating to kupuna care;
- (2) S.B. No. 2033 relating to general assistance;
- (3) S.B. No. 2044, S.D. 1 relating to maintenance of domestic violence shelters;
- (4) S.B. No. 2264 relating to QUEST health care payments; and
- (5) S.B. No. 2861, S.D. 1 relating to child care.

Upon further consideration, your Committee has amended this measure to:

- (1) Incorporate the appropriations from the five measures enumerated above for the kupuna care programs; general assistance programs; domestic violence shelters statewide; QUEST health care payments; and child care subsidies;
- (2) Clarify that all appropriations will be made from the emergency and budget reserve fund;
- (3) Change dollar amounts appropriated from the emergency and budget reserve fund to unspecified amounts;
- (4) Change the effective date to July 1, 2050, to facilitate further discussion; and
- (5) 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. 2469, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2469, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2587 Ways and Means on S.B. No. 2575**

The purpose of this measure is to establish an anti-speculation capital gains tax on the sale of certain real property held for less than twenty-four months.

This measure would not apply to real property sold to provide affordable housing to a resident earning less than one hundred forty per cent of the median Hawaii income, as determined by the Department of Taxation, and that would not be resold in less than ten years. The measure would also not apply to properties that qualify the seller for a county homeowner's exemption or to military personnel selling property as a result of military relocation orders.

Your Committee received written comments in opposition to this measure from the Department of Taxation and Alexander and Baldwin, Inc. The Tax Foundation of Hawaii submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that it is in the public's interest to deter investors from selling real property held for less than twenty-four months. Unrestricted real property speculation drives the prices of real estate up and causes artificial bubbles in the market place. This condition limits housing to the wealthy and shuts out buyers who could otherwise afford to purchase a home. Your Committee also finds that this measure provides an infusion into the Rental Housing Trust Fund from tax revenues collected under this measure. Considering, however, the present financial crisis experienced by the State, your Committee believes that it is prudent to designate some of the proceeds from this measure to the general fund.

Accordingly, your Committee has amended this measure by:

- (1) Requiring half, instead of all, of the tax revenues realized under this measure to be deposited into the Rental Housing Trust Fund and the other half to be deposited into the general fund;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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. 2575, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2575, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2588 Ways and Means on S.B. No. 2172**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Kaimuki Christian School with the planning, construction, improvement, and equipping of its educational facilities.

Your Committee received written comments in support of this measure from the Hawaii Association of Independent Schools, Kaimuki Christian School, and four individuals. The written comments may be reviewed on the Legislature's website.

Your Committee finds that Kaimuki Christian School has been an active member of the Kaimuki community for over forty years. While servicing mainly the East Oahu community, the school draws students island-wide, and the student body reflects a range of academic abilities and socio-economic backgrounds. The school is currently engaged in plans to make capital improvements to its campus that will allow the school to increase its enrollment by over seventy per cent thereby increasing educational opportunities for Hawaii's youth.

Your Committee has amended this measure by changing its 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2172, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2172, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2589 Ways and Means on S.B. No. 2849**

The purpose of this measure is to make reforms to the Hawaii Employer-Union Health Benefits Trust Fund to improve its accountability and efficiency.

Specifically, the measure:

- (1) Imposes fiduciary duties upon the fiduciaries of the Employer-Union Health Benefits Trust Fund and establishes liability for breach of fiduciary duty;
- (2) Exempts the procurement of certain services relating to the trust fund from the procurement code;
- (3) Modifies the size, composition, term limits, and appointment process of the Board of Trustees of the Employer-Union Health Benefits Trust Fund;
- (4) Authorizes the Board of Trustees to retain independent legal counsel; and
- (5) Transfers jurisdiction over the Hawaii Employer-Union Health Benefits Trust Fund from the Department of Budget and Finance to the Department of Human Resources Development.

Your Committee received written comments in opposition to this measure from the Department of Budget and Finance. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will improve the accountability and efficiency of the Hawaii Employer-Union Health Benefits Trust Fund. The revised composition of the Board of Trustees will provide efficient and effective trust fund operation with respect to negotiated health benefits.

Your Committee has amended this measure by:

- (1) Requiring the Director of Human Resources Development to report to the Legislature prior to the Regular Sessions of 2013 and 2015 on the cost effectiveness of the amendments made by this measure;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure;
- (3) Repealing this measure on July 1, 2015; and
- (4) 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. 2849, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2849, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2590 Ways and Means on S.B. No. 2576**

The purpose of this measure is to require all new residential developments, either developed or approved by the Hawaii Housing Finance and Development Corporation and located in a school impact district, to be subject to applicable school impact fees pursuant to any statute, ordinance, charter provision, or rule.

Your Committee received comments in opposition to this measure from the Hawaii Housing Finance and Development Corporation. Written comments may be reviewed on the Legislature's website.

Your Committee finds that impact fees are vital to the necessary construction and expansion of schools and facilities to adequately support the residents of new residential developments. Your Committee believes that this measure will ensure that all new residential developments contribute fairly and in a timely manner to provide adequate educational resources for these new communities.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2099, 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. 2576, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2576, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2591 Ways and Means on S.B. No. 2030**

The purpose of this measure is to prevent delays in payment to QUEST health plans.

More specifically, this measure:

- (1) Exempts QUEST plans from paying interest due under the clean claims act when delays are due to failure by government payers to reimburse QUEST plans for services performed;
- (2) Requires the State to pay interest to QUEST plans for delayed Medicaid payments; and
- (3) Appropriates funds from the hurricane reserve trust fund, and authorizes expenditure of matching federal funds to address the Medicaid shortfall.

Your Committee received written comments in support of this measure from Healthcare Association of Hawaii and Ohana Health Plan. Comments in opposition were submitted by the Department of Budget and Finance and the Department of Human Services. The Med-QUEST Division of the Department of Human Services, the Hawaii Medical Service Association, and the Hawaii Chapter of the American Physical Therapy Association submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will provide an incentive for the State to make timely payments to its QUEST plans.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount from the hurricane reserve trust fund to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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. 2030, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2030, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2592 Ways and Means on S.B. No. 2405**

The purpose of this measure is to amend Hawaii's general excise and use tax law to allow Hawaii to participate in the national Streamlined Sales and Use Tax Agreement.

Your Committee received comments in support of this measure from the Hawaii Association of Realtors, the Hawaii Government Employees Association, the International Longshore and Warehouse Union, the Legislative Information Services of Hawaii, and the Retail Merchants of Hawaii. Your Committee received comments in opposition to this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that, to participate in the Streamlined Sales and Use Tax Agreement, Hawaii will need to amend its general excise and use tax laws and adopt a single tax rate. Currently, much of the use tax owed to the State on out-of-state purchases goes uncollected. Participation in this national agreement would allow Hawaii to more effectively collect the use tax on out-of-state purchases. This would enable local businesses to compete more closely with out-of-state sellers that, for the most part, do not collect and remit the Hawaii use tax. Your Committee also finds that the collection of the use tax on out-of-state purchases would provide an additional source of tax revenue for the State, especially during the current economic crisis.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2099, to facilitate further discussion on the measure; and
- (2) 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. 2405, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2405, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2593 Ways and Means on S.B. No. 2887**

The purpose of this measure is to exempt from income tax withholding certain real property transfers to non-residents.

More specifically, this measure would exempt from tax withholding those transfers in which:

- (1) The transferee acquires the real property through foreclosure;
- (2) The transferor acquires real property with a fair market value that exceeds that of the real property acquired by the transferee; and
- (3) The amount realized on the transfer of a timeshare interest does not exceed \$100,000.

Comments in support of this measure were received from Marriot Vacation Club International. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that exemption from tax withholding when the transferor realizes little or no gain on the transaction balances the State's interest in effective tax collection and the property owners' interest in the efficient completion of real estate transactions.

On further consideration, your Committee has amended this measure by:

- (1) Deleting an exemption from tax withholding for a time share interest that does not exceed \$100,000 in value; and
- (2) Making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2887, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2887, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2594 Ways and Means on S.B. No. 2109**

The purpose of this measure is to jump start the development and construction of stalled affordable rental housing projects in the State.

Specifically, this measure authorizes the Hawaii Housing Finance and Development Corporation to grant no-cost loans to replace state low-income housing tax credits that have devalued as a result of the economic crisis. With the assistance of the loans provided under this measure, developers who acquired and depended on the tax credits to finance their projects can relinquish their tax credits for equivalent financing under this measure. Also, since the loans are financed through the issuance of discounted general obligation bonds, the conversion is cost neutral to the State.

Your Committee received written comments in support of this measure from the Hawaii Association of Realtors and Catholic Charities Hawai'i. The written comments may be reviewed on the Legislature's website.

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 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. 2109, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2109, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2595 Ways and Means on S.B. No. 2336**

The purpose of this measure is to require that all public schools, excluding charter schools and multi-track schools, offer a minimum of one hundred ninety instructional days per school year and thirty-six hours of instruction per school week.

Your Committee conducted a public hearing on a proposed draft of this measure. The purpose of the proposed draft is to:

- (1) Require that the Department of Education periodically review all non-core programs and alternative funding mechanisms or sources for those non-core programs, and report to the Legislature its findings and recommendations for the possible elimination of some or all of those non-core programs; and
- (2) Require that the Board of Education close an existing public school prior to opening a new school.

Your Committee received testimony in support of the proposed draft from the Department of Education. Written testimony may be reviewed on the Legislature's website.

Your Committee finds that the proposed draft of the measure will improve the efficiency of the Department of Education by allowing the Department to focus on its core programs. It will also focus the Department's resources on locations with the greatest need for school facilities.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft, and amending the proposed draft by 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. 2336, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2336, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Chun Oakland). Noes, none. Excused, 1 (Hemmings).

**SCRep. 2596 Ways and Means on S.B. No. 2431**

The purpose of this measure is to make information on the educational performance of public school students readily accessible.

Specifically, this measure requires the Department of Education to develop an internet-based publicly accessible system for reporting student test scores and other indices of the performance of students and the educational system according to the criteria specified by the Department's educational accountability system.

Your Committee received written comments in opposition to this measure from the Department of Education. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Department of Education to compare reported information for each school and easily track the progress of individual schools. Your Committee believes that these measures will help the Department achieve greater educational accountability.

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

- (1) Changing the effective date to July 1, 2050, to promote 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. 2431, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2431, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2597      Ways and Means on S.B. No. 2372**

The purpose of this measure is to reaffirm the Legislature's inherent power to waive its own requirement that the Auditor conduct sunrise reviews of legislation that propose to regulate unregulated professions or vocations.

Your Committee received comments on the measure from the Department of Commerce and Consumer Affairs. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure ensures legislative flexibility if the Legislature finds the Auditor's analysis is unnecessary because it possessed sufficient information to assess probable effects of a proposed regulatory measure and ensures the Legislature can promptly address critical public health, safety, and welfare needs in the State without impediment.

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 amendments, including citing the specific section of the state constitution relating to the Legislature's constitutional functions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2372, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2372, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2598      Ways and Means on S.B. No. 2156**

The purpose of this measure is to authorize the Chief Justice of the Supreme Court, with the approval of the Supreme Court, to appoint a judge or justice as the Administrative Director of the Courts for a maximum two-year term.

In addition, this measure also clarifies that a judge or justice serving as the Administrative Director of the Courts will retain the same salary and benefits that the judge or justice received prior to the appointment.

Your Committee received comments in support of this measure from the Judiciary. The written comments may be reviewed on the Legislature's website.

Your Committee finds that judges and justices acquire extensive knowledge and understanding of the Judiciary's operations while serving on the bench. Your Committee also finds that in some cases, a judge or justice may be better prepared to fulfill the duties of the Administrative Director of the Courts than a person who is unfamiliar with the Judiciary. Your Committee believes that the Chief Justice should have the discretion to appoint a qualified judge or justice to be the Administrative Director of the Courts without that judge or justice having to lose any salary or related benefits.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2099, 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. 2156, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2156, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2599      (Majority) Ways and Means on S.B. No. 2797**

The purpose of this measure is to extend the authority for voluntary employees' beneficiary association trusts until July 1, 2012.



Your Committee received written comments in support of this measure from one hundred and twenty-seven concerned individuals. Comments in opposition to the measure were submitted by the Department of Budget and Finance and one concerned individual. The Office of the Auditor submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that a voluntary employees' beneficiary association trust provides health benefits for state or county employees of a particular collective bargaining unit, as well as existing retirees of that bargaining unit. Your Committee also finds that there are certain issues regarding these trusts that remain unresolved and that additional time is necessary to decide the fate of voluntary employees' beneficiary association trusts.

Your Committee has amended this measure by:

- (1) Clarifying that the repeal and reenactment date of section 89-9, Hawaii Revised Statutes, is July 1, 2012; and
- (2) Changing the effective date to June 30, 2050, 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. 2797, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2797, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Kokubun). Excused, 1 (Hemmings).

**SCRep. 2600 (Majority) Ways and Means on S.B. No. 2592**

The purpose of this measure is to allow a general excise tax exemption to qualified persons or firms who receive rental income on newly constructed or moderately or substantially rehabilitated housing projects.

Your Committee finds that this measure will provide a financial incentive to developers and owners of rental units for low- and moderate-income renters and for homeowners residing in new or substantially rehabilitated homes.

Upon further consideration, your Committee has made technical nonsubstantive amendments to:

- (1) Add the definition of "qualified person or firm" in section 237-29, Hawaii Revised Statutes, instead of section 237-1, Hawaii Revised Statutes, because the term appears only in section 237-29, Hawaii Revised Statutes; and
- (2) Restructure the amendments to section 201H-36(a)(4), Hawaii Revised Statutes, to provide better clarity and cohesion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2592, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2592, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8; Ayes with Reservations (Tsutsui). Noes, 3 (English, Galuteria, Kidani). Excused, 1 (Hemmings).

**SCRep. 2601 Ways and Means on S.B. No. 2543**

The purpose of this measure is to ensure competitively-priced access to broadband communications for all households, businesses, and organizations throughout Hawaii by 2012.

Specifically, this measure adds the following duties to those of the Director of Commerce and Consumer Affairs:

- (1) Promote telework alternatives for public and private employees;
- (2) Advise and assist state agencies relating to telecommuting;
- (3) Support efforts to deploy competitively-priced advanced electronic communications services;
- (4) Recommend ways to provide affordable broadband services to unserved areas in the State;
- (5) Advocate and facilitate deployment of various broadband-related activities;
- (6) Serve as a clearinghouse for federal American Recovery and Reinvestment Act of 2009 broadband-related services and programs; and
- (7) Report annually to the Legislature.

This measure also establishes the telework promotion and broadband assistance advisory council to advise the Director of Commerce and Consumer Affairs on the development of telework and broadband policies. This measure also requires the Director to convene a work group to develop procedures for streamlined permitting functions that are applicable to the development of broadband services and broadband technology. The work group is required to submit a progress report to the Legislature no later than January 1, 2011.

Your Committee received written comments in opposition to this measure from the Department of Commerce and Consumer Affairs. Written comments may be reviewed on the Legislature's website.

Your Committee finds that advanced broadband services are essential infrastructure for an innovation economy and a knowledge-based society. High-speed broadband services at affordable prices are important to the advancement of education, health, public safety, research and innovation, civic participation, e-government, economic development and diversification, and public safety and services. This measure will help the State reach these goals.

Your Committee has amended this measure to:

- (1) Change the effective date to July 1, 2050, to promote further discussion; 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. 2543, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2543, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2602 Ways and Means on S.B. No. 2349**

The purpose of this measure is to allow home-schooled students who meet certain requirements to participate on an equal basis in extracurricular activities offered at the public schools that they would otherwise be required to attend.

This measure also requires the Department of Education to consult with the Athletic Directors and Coaches Association of Hawaii and other agencies and organizations in adopting rules to implement the purpose of this measure.

Your Committee received written comments in opposition to this measure from the Athletic Directors and Coaches Association of Hawaii, Castle High School, Maui Interscholastic League, and one concerned individual. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure would allow home-schooled students to have the opportunity to participate in extracurricular activities, such as team sports, that would otherwise be unavailable to them. Your Committee finds that it is appropriate to require students wishing to participate to meet certain requirements, such as maintaining appropriate grades and paying appropriate fees.

Your Committee has amended this measure by 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. 2349, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2349, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Galuteria, Hooser, Tokuda). Noes, none. Excused, 1 (Hemmings).

**SCRep. 2603 Judiciary and Government Operations on S.B. No. 2100**

The purpose of this measure is to improve health care quality and prevent waste from duplicative clinical laboratory testing.

Under current Hawaii administrative rules, clinical laboratories may only disclose laboratory results to the person who ordered the test or the person's designee. This measure enables qualified health information exchanges to request clinical laboratory tests thus improving coordination between entities regulated by the Health Insurance Portability and Accountability Act and ensuring that health information may be shared to the fullest extent allowed by federal law.

Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that efforts being taken on the federal and state level to improve data sharing through the creation of health information exchanges will improve the quality of healthcare and reduce waste. However, your Committee further finds that maintaining medical privacy within data sharing systems is a paramount concern.

This measure updates the current law to facilitate the creation of health information exchanges and other health care coordination projects in our community while maintaining patient privacy. To further improve patient privacy, references to the Code of Federal Regulations parts 160-164 may need additional specificity.

Your Committee has amended this measure by:

- (1) Making the sharing of clinical laboratory tests optional so that test information will be sent to authorized persons only upon request;
- (2) Applying the definition of "authorized persons" to State administrative rules governing clinical laboratories in Hawaii; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2100, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2100, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2604 Judiciary and Government Operations on S.B. No. 2182**

The purpose of this measure is to improve the enforcement of the authorized use of parking spaces reserved for persons with disabilities.

Specifically, this measure:

- (1) Clarifies that a violation of the parking for persons with disabilities law is committed by a driver or the registered owner of a vehicle;
- (2) Allows the citation to be handed to the violator or affixed to the vehicle if the vehicle is unattended; and
- (3) Clarifies that a citation may be mailed when the violator refuses the citation.

Written comments in support of this measure were submitted by one state board and one county agency. Four organizations support the intent. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will bring the law on parking spaces reserved for persons with disabilities in accordance with other parking infractions which allow the driver or the registered owner of the vehicle to be held accountable, and thus preserve the use of the accessible parking spaces for those individuals who are permitted to use the spaces.

Your Committee has amended this measure by:

- (1) Adopting the recommendations of Catrala-Hawaii to exempt registered owners who are lessors of rental or U-drive motor vehicles, to the extent provided by section 291D-3.5, Hawaii Revised Statutes, which requires the lessor to provide contact information for the lessee who received the citation; and
- (2) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2182, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2182, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2605 Judiciary and Government Operations on S.B. No. 2378**

The purpose of this measure is to include the election of the members of the Office of Hawaiian Affairs Board of Trustees in the biennial primary and general elections rather than to elect them at a special election held in conjunction with the general election.

This measure also provides that during the primary election:

- (1) The two candidates that receive the most number of votes for an available Office of Hawaiian Affairs Board of Trustees seat shall be nominated for the general election;
- (2) The qualified candidates that receive the most votes for any at-large seat without a residency requirement shall be duly nominated for the general election; provided that the general election shall include no more than twice the number of qualified candidates as seats available;
- (3) Any candidate that receives more than fifty per cent of the votes cast at the primary election shall be declared elected; and
- (4) If there are only two qualified candidates for any seat on the Board, they shall be declared nominated for the general election without going through the primary election process. If there is only one qualified candidate for any seat with a residency requirement or if the number of qualified candidates for seats without a residency requirement is equal to or less than the number of seats to be filled, they shall be declared legally elected without going through the primary or general election process.

One individual provided written comments in support. One state agency provided written comments requesting consideration of the financial costs associated with proposed change in election requirements. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will absorb the special election for the Office of Hawaiian Affairs Board of Trustees now held in conjunction with primary and general elections into the primary and general elections.

While there will be some administrative costs involved in shifting the Office of Hawaiian Affairs Board of Trustees election to the primary and general election, your Committee believes that the cost will be neutralized by the savings of eliminating the special election and consolidating it into the existing primary and general election structure.

Your Committee has amended this measure by:

- (1) Setting the date of compliance to January 1, 2014 in order to have this measure in effect during the 2014 elections;
- (2) Changing the effective date of this measure to July 1, 2050, to encourage further discussion of this measure; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2378, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2378, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2606 Judiciary and Government Operations on S.B. No. 2710**

The purpose of this measure is to facilitate public meetings of a board or commission by expanding the current authority to meet by videoconference, to meet by interactive conference technology, which includes any form of audio or visual conference technology.

Your Committee received written comments in support of this measure from three state departments, two state agencies, two private entities, and one individual. Comments were received from one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would facilitate the attendance by board members at board meetings. This is particularly critical for boards and commissions with representatives from neighbor islands, as the costs of travel related expenses, which are generally reimbursed to the members, have increased dramatically in recent years. In addition, the current staffing and operational cuts in state agency budgets have further limited travel and other costs for board and commission members and staff who support these activities.

Your Committee notes the concerns expressed by the Hawaii Strategic Development Corporation that board meetings should be allowed to continue if the audio communication was voluntarily terminated and a quorum for the meeting is still preserved.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions on this matter. Your Committee has also 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2710, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2710, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2607 Judiciary and Government Operations on S.B. No. 2291**

The purpose of this measure is to implement the recommendations of the Technology Caucus Work Group regarding state procurement by:

- (1) Establishing a state procurement preference for the benefit of Hawaii businesses providing high technology goods or services; and
- (2) Requiring the State Procurement Office to authorize reseller agreements in multi-state contracting agreements and to place orders directly with local resellers designated by original equipment manufacturers.

Testimony in support of this measure was submitted by two organizations, and two state agencies submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Western States Contracting Alliance (WSCA) was created to join fifteen western states in cooperative multistate contracting to achieve cost-effective and efficient acquisition of quality products and services. The State Procurement Office's recent change in policy in implementing the WSCA multistate contracts is a practice that no other state has pursued in implementing the WSCA contracts. As a result of this change, the State Procurement Office places orders for goods and services directly with out-of-state original equipment manufacturers, as opposed to local reseller agents. This practice reduces the level of state expenditures and activity within the local economy, reduces tax revenues paid by local technology businesses, and may result in job losses if the original equipment manufacturer does not have a local back-end agent program. This practice also reduces the level of available serving support. Your Committee finds that this measure will restore the previous practice and provide a more efficient, cost-effective means of obtaining local support for goods and services.

Your Committee further finds that the high technology Hawaii business preference is an incremental legislative change which is not the ideal way to approach procurement. Your Committee appreciates the efforts of the Technology Caucus Work Group, but would prefer a comprehensive review of state procurement to create a streamlined system based on best value and least expensive choice that can benefit both the State and Hawaii's vendors.

Your Committee has amended this measure by:

- (1) Removing Part II which establishes a state procurement preference for the benefit of Hawaii businesses providing high technology goods or services;
- (2) Changing the effective date to July 1, 2050 for the purpose of facilitating further discussion; and
- (3) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2291, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2291, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2608 Judiciary and Government Operations on S.B. No. 2441**

The purpose of this measure is to establish the intentional or knowing taking of an endangered species as a class C felony and provide a private right of action to enforce conservation of aquatic life, wildlife, and land plant laws.

This measure is in response to two recent intentional killings of Hawaiian monk seals on Kauai and one on Molokai. In September 2009, a Kauai man pleaded guilty to shooting a monk seal in violation of the federal Endangered Species Act. The man received a ninety-day jail term, one year supervised release, and a \$25 fine.

Your Committee finds that with the increasing number of monk seals in Hawaiian Islands, the interaction between seals and humans will become more prevalent. It is critical for the survival of the endangered seals that aggression towards the seals be minimized to avoid their demise. Your Committee also finds that increasing the penalties for intentional or knowing destruction of these animals will protect them from future harassment and death. However, your Committee believes that the measure, as received, is too broadly written and would apply the Class C felony penalty to endangered plants and wildlife as well. Your Committee believes that the Class C felony penalty should apply exclusively to the intentional or knowing taking of Hawaiian monk seals. Your Committee additionally finds that suits filed by individual citizens could possibly become problematic to the judicial system.

Accordingly, your Committee amended the measure by:

- (1) Eliminating references to any endangered species except for Hawaiian monk seals;
- (2) Eliminating the section allowing for citizen suits; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2441, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2441, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2609      Judiciary and Government Operations on S.B. No. 2472**

The purpose of this measure is to:

- (1) Require a foreclosing mortgagee to provide the mortgagor with thirty days written notice of its intent to foreclose on the mortgage and advise the mortgagor of the availability of mortgage counseling;
- (2) Require a foreclosing mortgagee to, upon the request of the mortgagor, provide a copy of the promissory note and mortgage documents to the mortgagor prior to commencing foreclosure proceedings; and
- (3) Clarify that a public sale price of seventy per cent of the latest real property tax assessed value is fair and reasonable.

Your Committee finds that providing a mortgagor with written notice of the intent of a foreclosing mortgagee to foreclose on the mortgage, as well as making the mortgagor aware of the availability of mortgage counseling, provides the mortgagor with sufficient opportunity to prevent a default on the mortgage and provide the mortgagor with better protection of their legal rights. Your Committee also finds that the use of an objective and independent process of applying a fair market value to fee simple and leasehold properties undergoing foreclosure proceedings will help to standardize the valuing process in a fair and reasonable manner that is equitable to each party involved in a foreclosure proceeding.

Your Committee has amended this measure by:

- (1) Changing how a fair and reasonable public sale price is determined in the public sale of a foreclosed property by making it seventy per cent of the fair market value of the property, rather than seventy per cent of the latest real property tax assessed value, so that a fair and reasonable public sale price can be objectively and independently determined for leasehold property by an appraisal or broker's price opinion;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2472, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2472, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2610      (Majority) Judiciary and Government Operations on S.B. No. 2745**

The purpose of this measure is to update the Uniform Controlled Substances Act.

This measure makes statutory amendments to conform to the federal Controlled Substances Act, which is required annually by Hawaii law. Among other things, this measure also clarifies:

- (1) The order to show cause law to require that notice be provided when revoking or suspending a registrant's controlled substance registration certificate; and
- (2) That the intentional or knowing failure to transmit any information required under the electronic prescriptions law may incur administrative fines.

Your Committee received written comments from the Department of Public Safety. Written comments presented to the Committee may be reviewed on the Legislature's website.

To ensure consistency in the regulation and enforcement of controlled substances, the Federal Controlled Substances Act serves as the basis for classification of all controlled substances on a national level. Section 329-11(a), Hawaii Revised Statutes, requires the Department of Public Safety to make appropriate revisions to update chapter 329, Hawaii Revised Statutes, relating to the Uniform Controlled Substances Act, to conform to changes in federal law.

Your Committee has amended this measure by:

- (1) Reinserting the emergency scheduling of the Schedule I controlled substance *Salvia divinorum* and its constituent *Salvinorin A*, on the recommendation of the Department of Public Safety;
- (2) Clarifying the order to show cause process to delineate the procedures for admission to the allegation and contesting the allegation; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2745, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2745, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Gabbard). Excused, 2 (Bunda, Takamine).

**SCRep. 2611      Judiciary and Government Operations on S.B. No. 2278**

The purpose of this measure is to amend the criminal trespass statute to include entering or unlawfully remaining at any public housing project or state low-income housing project after receiving reasonable warning or request to leave the premises by the authorities.

Written comments presented to the Committee may be reviewed on the Legislature's website.

This measure strengthens the Hawaii Public Housing Authority's ability to timely address dangerous and disruptive elements at public and low-income housing projects to improve the safety and security of public and low-income housing residents and communities. Your Committee is aware that current law does not provide law enforcement agencies and the Hawaii Public Housing Authority with clear authority to deal effectively with some situations where unauthorized persons enter public housing residential premises and do damage to property or otherwise jeopardize the safety and security of the housing community, as well as the peaceful enjoyment by residents of their homes. This measure provides public housing authorities with clear authority to issue warnings and requests to trespassers to leave the premises and to have trespassers who do not obey such warnings and requests cited and arrested, if necessary.

Your Committee has amended this measure by:

- (1) Adding police officers to those authorities authorized to issue warnings and requests to leave public and low-income housing project premises;
- (2) Changing "housing authorities" to "housing authority management" in order to explicitly define those who have the authority to issue warnings and requests to leave the premises as housing authority employees or agents officially designated by the Hawaii Public Housing Authority to enforce rules or manage the housing project; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2278, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2278, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2612      Judiciary and Government Operations on S.B. No. 2911**

The purpose of this measure is to clarify the warrantless arrest powers under state law for the Federal Bureau of Investigation and Immigration and Customs Enforcement, to extend to these agencies the same arrest powers granted to the United States Customs and Border Protection Service and Citizenship and Immigration Services, and to update references to these agencies' names and personnel titles.

Your Committee received written comments in support of this measure from the Department of the Attorney General. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides heightened security by enhancing federal law enforcement authority in this State. Federal agencies commonly make direct first hand contact with criminal suspects, in circumstances that cannot await the obtaining of an arrest warrant. However, your Committee finds that these arrest powers should only be extended to the Federal Bureau of Investigation and not to Immigration and Customs Enforcement officers. Further, as noted in testimony from the Department of the Attorney General, inclusion of the Citizenship and Immigration Services officers is inappropriate, as those officers do not have authority under federal law to arrest aliens.

Your Committee has amended this measure by:

- (1) Deleting reference to Immigration and Customs Enforcement officers;
- (2) Removing reference to Citizenship and Immigration Services officers, as recommended by the Department of the Attorney General; and
- (3) Clarifying that any evidence obtained from a warrantless arrest by the named federal agencies is not admissible as evidence in state court.



As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2911, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2911, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2613      Judiciary and Government Operations on S.B. No. 2716**

The purpose of this measure is to establish child protective provisions in the Hawaii Revised Statutes that are consistent with federal Title IV-E provisions by replacing chapter 587, Hawaii Revised Statutes, with a new Child Protective Act, which conforms to federal Title IV-E provisions.

Written comments in support of this measure were submitted by two state agencies and one nonprofit organization. One state agency submitted comments. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the measure as received is the product of a task force led by the Judiciary, and comprised of the Department of Human Services, parents' counsel, guardians ad litem, representatives from the Department of the Attorney General, and Family Court judges and staff, to ensure compliance of Hawaii's child protective provisions with federal Title IV-E requirements. Additionally, the measure rewrites and reorganizes chapter 587, Hawaii Revised Statutes, to make the new child protective provisions more understandable to people who practice in this area of law on a regular basis, those who may be new to this area of law, and those who may not have legal representation.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to ensure that the proponents of this measure continue to discuss and evaluate additional clarifying amendment proposals; and
- (2) Making technical, nonsubstantive changes for purposes of consistency, style, formatting, and clarity purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2716, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2716, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2614      Judiciary and Government Operations on S.B. No. 2028**

The purpose of this measure is to develop standards of practice and to establish a registry of child custody evaluators or experts appointed by the Family Court or produced by a party to assist the Court in awarding custody in child custody cases.

Written comments in support of this measure were submitted by four private organizations and six individuals. One state agency submitted written comments and recommendations. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee is concerned that this measure may be overly broad. In particular, the requirement that only a child custody evaluator or expert included in the child custody evaluator registry shall testify as an expert on behalf of a party to the proceedings to render an opinion on awarding custody will severely limit information that may be relevant to the Court.

Your Committee has amended this measure by:

- (1) Including a social worker employed by the Judiciary among those authorized to testify as an expert on behalf of a party to the proceedings to render an opinion on awarding custody;
- (2) Clarifying that the court may allow testimony relevant to a just and reasonable determination of what is for the best physical, mental, moral, and spiritual well-being of the child whose custody is at issue, pursuant to section 571-46(a)(5), Hawaii Revised Statutes;
- (3) Amending the effective date to July 1, 2040, for the purpose of encouraging further discussion; and
- (4) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2028, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2028, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2615      Judiciary and Government Operations on S.B. No. 2373**

The purpose of this measure is to prohibit in a deed or other covenant running with the land a provision that requires the transferee to pay a fee in connection with a future transfer of the property to a declarant, other person imposing the deed or restriction or covenant, or a third party designated by a transferor of the property.

Your Committee received written comments in support of this measure from three nonprofit entities, two financial organizations, and one private entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that private transfer fees are created by a private party through a deed restriction or covenant on real property. This restriction requires every transferee or buyer of the real property to pay a transfer fee to the private party which created that restriction. Because this private transfer fee is paid every time that real property is transferred, the private party imposing this restriction may be deemed to be retaining a part of the fee simple interest in the real property that is being transferred. This restriction could constitute an inappropriate restraint on the transfer of real property. Your Committee notes that this measure provides exemptions to the general prohibition on transfer fees for legitimate changes required by a deed restriction or other covenant running with the land in connection with the transfer of real property. Your Committee also notes its concern about the grandfathering of covenants that existed prior to this measure, particularly with respect to conservation easements or land trusts.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2050, to continue the discussions on this 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2373, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2373, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2616 Ways and Means on S.B. No. 2626**

The purpose of this measure is to require every state agency to report to the Legislature all non-civil service, temporary employees employed by the agency for each quarterly period of the fiscal year.

Testimony in support of this measure was submitted by the Hawaii Government Employees' Association, United Public Workers, and Charles Khim. Testimony in opposition of this measure was submitted by the Department of Budget and Finance, Department of Human Resources Development, Judiciary, and Attorney General. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, in this current economic crisis, an initial probation period of six months can sometimes lead to the overloading of permanent civil service positions, which can also impact the inefficient and ineffective delivery of critical services and functions of state government. Your Committee also finds that providing employers with a temporary lengthened initial probation period of not less than twelve months will provide the employer with a sufficient amount of information upon which to base a decision on whether or not to offer the employee a permanent civil service position.

Your Committee has amended this measure by:

- (1) Adding a purpose section;
- (2) Adding a definition for "initial probation period" in section 76-11, Hawaii Revised Statutes;
- (3) Adding that the initial probation period for a non-civil service employee who either:
  - (A) Transfers into a civil service position between December 15, 2009, and December 31, 2011; or
  - (B) Voluntarily or involuntarily terminates employment from a position that is exempt from civil service pursuant to section 76-16, Hawaii Revised Statutes, and, within ninety days of that termination, is subsequently hired in a civil service position between December 15, 2009, and December 31, 2011,
 shall be a period of not less than twelve months commencing from the person's initial appointment to the civil service position that the person is transferring or being hired into; and
- (4) Repealing the foregoing initial probation period provisions on December 31, 2012, and providing for the reenactment on that date of section 76-27(a)(1), Hawaii Revised Statutes, in the form in which it read on the day before the approval of this measure;
- (5) Changing the effective date to be upon approval; 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. 2626, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2626, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Hee, Hemmings, Hooser, Tsutsui).

**SCRep. 2617 Ways and Means on S.B. No. 2115**

The purpose of this measure is to clarify preaudit procedures for the University of Hawaii and the Department of Education.

Specifically, this measure:

- (1) Requires the Department of Education to preaudit all proposed payments of \$10,000 or more;
- (2) Requires the University of Hawaii and the Department of Education to preaudit sample populations of proposed payments of less than \$10,000; and
- (3) Extends the date that allows the University of Hawaii and the Department of Education to have autonomous authority over their accounting systems and other purchasing responsibilities and duties.

Your Committee finds that this measure grants the University of Hawaii and the Department of Education more time to exercise complete supervision of all their respective accounts before that supervision returns to the Comptroller. Furthermore, this measure allows the Department of Education to preaudit only sample populations, and not all proposed payments, of less than \$10,000, while still requiring the Department to preaudit all proposed payments of \$10,000 or more.

Your Committee has amended this measure by:

- (1) Establishing an unspecified percentage of the population as the minimum required sample size for the preaudits of sample populations of proposed payments of less than \$10,000;
- (2) Changing the effective date to facilitate further discussion on the measure; 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. 2115, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2115, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2618 Ways and Means on S.B. No. 2752**

The purpose of this measure is to provide for the recovery of administrative costs associated with investigating tax crimes when a taxpayer is convicted of a tax offense or has a conviction deferred.

Your Committee received comments in support of this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted comments. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the mandatory assessment of the cost of investigating tax offenses will deter tax violators from evading taxes and committing other similar crimes. As a matter of fairness, your Committee would like to consider revisions to this measure to allow a taxpayer who successfully contests an administrative assessment for certain tax violations to recover the cost of contesting the assessment, including professional fees. Similarly, your Committee would like to consider revisions to permit a taxpayer who prevails in a criminal trial or on appeal to recoup reasonable attorney's fees and other costs related to defending against the charges. Due to time restrictions, however, your Committee was not able to properly study this matter, but encourages and invites other legislative committees that will review this measure to consider this issue.

Your Committee amended this measure by:

- (1) Clarifying that the court shall assess a reasonable cost for investigating a tax violation;
- (2) Changing the effective date of the measure to July 1, 2055, 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. 2752, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2752, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 2619 Ways and Means on S.B. No. 2589**

The purpose of this measure is to require the Department of Education to make available vacant school facilities or portions of school facilities for use by charter schools.

Your Committee held a public hearing on a proposed draft of this measure. The purpose of the proposed draft is to:

- (1) Require the Department of Education to make available vacant school facilities or portions of school facilities for use by charter schools;
- (2) Change the charter school funding to promote equitable funding for charter school students; and
- (3) Require that per-pupil allocation checks paid by the Charter School Administrative Office to individual charter schools be co-signed by the Executive Director of the Charter School Administrative Office and an agent of the Charter School Review Panel.

Testimony in support of the proposed draft was submitted by the Department of Education, the Charter School Administrative Office, and the Hawaii Charter Schools Network. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that public charter schools often encounter challenges in securing school facilities, such as high rent and less-than-desirable locations. This measure addresses those challenges by providing charter schools with access to the available school facilities of the Department of Education. Your Committee also finds that by providing a supportive environment for all public schools, including charter schools, in Hawaii, this measure places the State in a better position to qualify for the federal Race to the Top and other grant programs.

Your Committee recognizes, however, the growth and development of the charter school system has created challenges relating to accountability and the administration and reauthorization of charter schools.

Accordingly, your Committee amended this measure by replacing its contents with those of the proposed draft and further amending the measure by:

- (1) Requiring the Charter School Review Panel to adopt a clear process and rigorous criteria for the reauthorization of charter schools;
- (2) Requiring the Charter School Review Panel to reauthorize each charter school no later than four years after the issuance of the initial charter and every four years thereafter;
- (3) Requiring the Charter School Administrative Office to withhold funds for its operational expenses, including salaries for staff and the executive director;
- (4) Requiring the Charter School Administrative Office to report annually to the Charter School Review Panel the individual and aggregate expenditures of charter schools and to clearly distinguish between expenditures for operational and instructional purposes;
- (5) Repealing the cap on the number of start-up and conversion charter schools;
- (6) Clarifying that when the Department of Education considers closing a public school, it shall give reasonable consideration to making all or portions of the facilities available to charter schools, either exclusively or jointly with the Department of Education, or the department may elect to use the facilities to support educational programs;
- (7) Establishing the over-appropriation special fund;
- (8) Clarifying the requirements of general fund per-pupil request for each regular education and special education student, to align that statutory provision with the Administration's practice of excluding adult education and the after school plus program from the per-pupil calculation;
- (9) Making a technical amendment to add boilerplate language relating to the Revisor of Statutes numbering of new sections; and
- (10) 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. 2589, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2589, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2620 Ways and Means on S.B. No. 2951**

The purpose of this measure is to provide fair compensation to lessees of condemned state land or partial takings who are prevented from using the land as originally intended.

Your Committee received comments in support of the measure from the Waimanalo Agricultural Association. Comments in opposition were submitted by the Department of Land and Natural Resources, the Department of Transportation, the American Bird Conservatory, and one individual. Written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure, through reduced rent and other compensation, will provide more equitable relief to lessees of public lands in partial takings or condemnations where the lessee is prevented from using the lands as originally intended. Your Committee believes that the remedies in this measure are justified, considering that lessees continue to be responsible, despite the condemnation or taking for paying lease rents, real property taxes, and in some cases, insurance and other fixed costs.

Your Committee has amended the measure by:

- (1) Correcting the text of section 171-37, Hawaii Revised Statutes, to reflect the printed version of the Hawaii Revised Statutes, by inserting the word "but" on page 5, line 6;
- (2) Making other technical nonsubstantive changes for purposes of clarity and style; and
- (3) Changing the effective date to July 1, 2100, 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. 2951, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2951, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2621 Ways and Means on S.B. No. 2818**

The purpose of this measure is to revise and clarify the administration and processes of environmental review to create a more streamlined, open, and consistent process.

Specifically, this measure:

- (1) Reduces the size of the Environmental Council from fifteen to nine members;

- (2) Revises the role of the Director of the Office of Environmental Quality Control to consist of administrative and advisory duties in support of the Environmental Council;
- (3) Revises the role of the Environmental Council to include advising the Governor on environmental quality matters and rulemaking to implement Chapter 341 and 343, Hawaii Revised Statutes;
- (4) Establishes the Environmental Review Special Fund; and
- (5) Makes numerous amendments to revise and streamline the environmental review process in Chapter 343, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from The Nature Conservancy. Comments in opposition were submitted by the Department of Health. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure implements many of the recommendations that resulted from the examination of the State's environmental review system pursuant to Act 1, Session Laws of Hawaii 2008. Your Committee finds that these amendments will help clarify:

- (1) The roles and duties of the Environmental Council and Director of the Office of Environmental Quality Control;
- (2) The types of actions that will be subject to an environmental review and the timing of the review;
- (3) The applicability of criteria for the significance of environmental effects;
- (4) The timing and extent of public notice and comment; and
- (5) The duration of environmental impact statements.

Your Committee has amended this measure by:

- (1) Clarifying that the Director of the Office of Environmental Quality Control submits its annual report to the Legislature and the Governor;
- (2) Clarifying that the Office of Environmental Quality Control is allowed to charge reasonable fees for printed copies of records;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (4) 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. 2818, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2818, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 2622 Ways and Means on S.B. No. 2806**

The purpose of this measure is to authorize transfer of excess state general fund revenues to the emergency and budget reserve fund under certain circumstances.

The measure also:

- (1) Clarifies that the end-of-the-year general fund balance calculation shall occur before any tax refund or tax credit is authorized pursuant to article VII, section 6 of the Constitution of the State of Hawaii;
- (2) Authorizes the Director of Finance to execute the transfer from the general fund to the emergency and budget reserve fund;
- (3) Prohibits transfers when the balance of the emergency and budget reserve fund is equal to or greater than ten per cent of the general fund revenues for the preceding fiscal year; and
- (4) Authorizes interest earned on moneys in the emergency and budget reserve fund to be credited to the emergency and budget reserve fund rather than to the general fund.

Your Committee received written comments in support of the measure from the Office of the Governor and Ohana Health Plan. Comments in opposition were submitted by the Department of Budget and Finance. The Tax Foundation of Hawaii submitted written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the emergency budget and reserve fund is being steadily depleted while there are no new sources of revenue to replenish it. This measure would help to ensure that a fiscal reserve is available to support the State's financial obligations during periods of severe economic difficulty and would provide an alternative to raising taxes at times when the people of the State can least afford it.

Your Committee further finds that, in the interest of fiscal accountability, moneys deposited into the emergency and budget reserve fund should be kept in separate accounts to prevent moneys transferred from the general fund from becoming co-mingled with other moneys in the fund. It is your Committee's intent that the statutory requirement of a two-thirds majority vote of each house of the Legislature, imposed by section 328L-3(d), Hawaii Revised Statutes, be followed when appropriating funds from either of these separate accounts in the emergency and budget reserve fund.

Your Committee has amended this measure by:

- (1) Requiring that moneys transferred from the general fund and other moneys in the emergency and budget reserve fund be kept in separate accounts;
- (2) Changing the effective date to January 1, 2050, to facilitate further discussion on the measure;
- (3) Providing that the measure shall only become effective upon ratification of a constitutional amendment requiring the deposit of moneys from the general fund into the emergency and budget reserve fund; and
- (4) 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. 2806, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2806, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2623 Ways and Means on S.B. No. 2290**

The purpose of this measure is to increase the availability of venture capital for the State's emerging industries by establishing a state private investment fund to stimulate the availability of funds that would create new jobs.

This measure would also minimize state liability for costs associated with the venture capital program.

Your Committee received written comments in support of this measure from the Hawaii Strategic Development Corporation and the High Technology Development Corporation. The Employees' Retirement System offered comments in opposition. The Tax Foundation of Hawaii offered comments. Written comments may be reviewed on the Legislature's website.

Your Committee finds that many states, including the state of Utah, whose Utah Fund of Funds program provides the model for this measure, have implemented programs to improve the availability of capital within their states and as a means to generate revenue. Your Committee notes that the Hawaii Strategic Development Corporation has been managing Hawaii's venture capital program for many years. This measure will assist that effort by creating a financing mechanism that will not use scarce state fiscal resources but will allow investment capital to be mobilized for Hawaii's technology companies.

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

- (1) Clarifying that the startup costs for the state private investment fund shall be funded only by the Hawaii Strategic Development Corporation, and deleting the requirement that a subsequent additional unspecified dollar amount shall be funded by the state general fund;
- (2) Clarifying that four members of the state private investment fund board of directors shall be appointed by the Hawaii Strategic Development Corporation board;
- (3) Adding a definition of "enterprise" with the same meaning as provided in the law relating to the Hawaii Strategic Development Corporation;
- (4) Clarifying the title of section 211G-13, Hawaii Revised Statutes, to include the term "plans";
- (5) Changing the effective date to July 1, 2050, to promote further discussion of the measure; and
- (6) 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. 2290, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2290, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2624 Ways and Means on S.B. No. 2144**

The purpose of this measure is to retain existing, specialized staff in programs that have substantially contributed to the State's economy and ensure greater program self-sufficiency.

More specifically, this measure:

- (1) Requires the Department of Business, Economic Development, and Tourism to evaluate the effectiveness of the motion picture, digital media, and film production tax credit, and requires it to report the results of the evaluation;
- (2) Redirects the income, purposes, and uses of the Hawaii television and film development special fund;
- (3) Defines the uses of the Hawaii community-based economic development revolving fund to include operational funding and a funding mechanism for the enterprise zone program;
- (4) Authorizes the Department of Business, Economic Development, and Tourism to establish a fee, of an unspecified amount, to process taxpayer letters;
- (5) Repeals the Hawaii Television and Development Board and the board's right to inspect the premises and records of an applicant in connection with the processing of a grant to the applicant; and



- (6) Appropriates funds from the Hawaii Film Office Special Fund and the temporary assistance for needy families funds to the Department of Business, Economic Development, and Tourism.

Comments in support of this measure were submitted by the Department of Business, Economic Development, and Tourism, the County of Hawaii Department of Research and Development, the Hawaii Film and Entertainment Board, the International Alliance of Theatrical and Stage Employees, and the Waianae Coast Coalition. Your Committee received comments on this measure from the Department of Budget and Finance, the Department of Human Services, and the Tax Foundation of Hawaii. Written comments may be reviewed on the Legislature's website.

Your Committee finds that television and film industry activities, the community-based economic development program, and the enterprise zone program are important to the state economy. Your Committee also finds that television and film activities will be better served by transferring those responsibilities and the related special fund to the Hawaii Tourism Authority from the Department of Business, Economic Development, and Tourism.

Additionally, your Committee finds that the community-based economic development program and the enterprise zone program could improve their capabilities by using funds from the Hawaii community-based economic development revolving fund to finance their operations and certain personnel costs and to provide grants and loans.

Accordingly, your Committee has amended this measure by:

- (1) Establishing the Hawaii Film Office in the Hawaii Tourism Authority;
- (2) Establishing the Hawaii Film Office Special Fund;
- (3) Transferring the television and film industry activities and responsibilities, including coordinating film permit activities and administering the special fund, from the Department of Business, Economic Development, and Tourism to the Hawaii Film Office;
- (4) Including memoranda of agreement in existence on the measure's effective date as part of the functions, personnel, responsibilities, and assets transferred between agencies;
- (5) Authorizing the Hawaii Film Office to administer the motion picture, digital media, and film production income tax credit;
- (6) Deleting the requirement that the Department of Business, Economic Development, and Tourism evaluate the effectiveness of the motion picture, digital media, and film production tax credit and the related reporting requirement;
- (7) Deleting provisions redirecting the uses of the Hawaii television and film development special fund;
- (8) Deleting the provision that authorized the Department of Business, Economic Development, and Tourism to establish a fee, of an unspecified amount, to process taxpayer letters;
- (9) Deleting the appropriations from the Hawaii Film Office Special Fund and the temporary assistance for needy families funds;
- (10) Changing the effective date to July 1, 2070, to facilitate further discussion on the measure; and
- (11) 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. 2144, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2144, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8; Ayes with Reservations (Chun Oakland). Noes, none. Excused, 4 (Hee, Hemmings, Hooser, Tsutsui).

#### **SCRep. 2625 Ways and Means on S.B. No. 2068**

The purpose of this measure is to require the Early Learning Council with the assistance of the Department of Education to assess the junior kindergarten and kindergarten program.

The measure also requires the Department of Education to report to the Legislature on its findings regarding the assessment for five years.

Your Committee conducted a public hearing on a proposed draft of this bill. The purpose of the proposed draft was to repeal the public school junior kindergarten program. The proposed draft also moved back by approximately five months the cut-off date for entering kindergarten (from being five years of age by December 31 to August 1) starting in the 2011-2012 school year.

Testimony in support of the proposed draft was submitted by the Department of Education. The Good Beginnings Alliance commented on the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii's children benefit from early learning opportunities. However, your Committee also finds that maintaining a two-tier junior kindergarten and kindergarten program is inefficient and is not cost-effective. Your Committee further finds that a single-tier kindergarten program will more efficiently provide early learning opportunities for the children of Hawaii.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft, and amending the proposed draft by making technical, nonsubstantive amendments for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2068, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2068, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2626 Ways and Means on S.B. No. 2052**

The purpose of this measure is to impose a surcharge on purchases of more than \$25 worth of consumer fireworks.

This measure also:

- (1) Clarifies the term "cultural" to include religious events;
- (2) Provide a vehicle to increase the fireworks permit fees;
- (3) Limits fireworks permits to one per person and the number of firecrackers that can be purchased with the permit, to 5,000;
- (4) Designates all fees to the county that collected the fee;
- (5) Increases the fine imposed for some fireworks violations to \$10,000; and
- (6) Transfers fireworks fines previously paid to the counties to the State.

Your Committee held a public hearing on a proposed draft of this measure. In addition to the foregoing, the proposed S.D. 2 also:

- (1) Imposes a consumer fireworks tax on wholesalers;
- (2) Requires remittances of consumer fireworks taxes to be deposited into the state treasury and sets aside an unspecified percentage of the remittances for the implementation and enforcement of the consumer fireworks tax; and
- (3) Requires the Department of Taxation to report to the Legislature a plan to impose a tax on retail sales of fireworks, consumer fireworks, aerial devices, articles pyrotechnic, and display fireworks.

Your Committee received testimony in support of this measure from the County of Maui Department of Fire and Public Safety and the County of Kauai Fire Department. Testimony in opposition to this measure was submitted by the Legislative Information Services of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current fireworks permit and import license fees have not been increased in the last ten years, while the costs of services related to the use of fireworks, including fire, police, and emergency medical services, have continued to rise. Your Committee also finds that this measure will directly assist the counties with administering and enforcing fireworks laws, by increasing the permit fees and crediting the fees to the counties.

Your Committee amended this measure by:

- (1) Changing the date on which the consumer fireworks tax commences to January 1, 2011;
- (2) Deleting the provision that imposed a surcharge on purchases of more than \$25 worth of consumer fireworks; 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. 2052, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2052, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2627 Ways and Means on S.B. No. 2143**

The purpose of this measure is to authorize funds from the works of art special fund to be used for an executive director and other staff positions of the State Foundation on Culture and the Arts.

This measure also requires the Comptroller and the Executive Director of the State Foundation on Culture and the Arts to submit an annual report to the Governor and Legislature that details contributions to the works of art special fund that each state agency is required to make.

Your Committee received comments in opposition to this measure from the Department of Budget and Finance. A concerned individual submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the State Foundation on Culture and the Arts has lost a significant number of staff positions in the last few years as a result of the State's budget shortfall. Your Committee also finds that the Foundation's loss of staff reduces the Foundation's ability to preserve the arts and to serve the art community. In an effort to preserve the State's commitment to culture and the arts, your Committee believes that the works of art special fund should be used temporarily to defray the costs of administrative positions at the State Foundation on Culture and the Arts to preserve the Foundation's level of service to the State.

Your Committee has amended this measure by:

- (1) Clarifying that the annual reports regarding state appropriations transferred to the works of art special fund is to be submitted no later than twenty days prior to the convening of each regular session;
- (2) Changing the sunset date of the measure to June 30, 2013; 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. 2143, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2143, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2628 (Majority) Judiciary and Government Operations on S.B. No. 2369**

The purpose of this measure is to:

- (1) Provide emergency, nonrecurring, benefits for victims of domestic or sexual violence; and
- (2) Expand current provisions for unemployment insurance, emergency leaves of absence, and insurance protections.

Written comments in support of this measure with suggested amendments were submitted by the Department of the Attorney General, the Hawai'i Civil Rights Commission, and the American Council of Life Insurers. Written comments in support of this measure were submitted by the Hawaii State Coalition Against Domestic Violence. Written comments in opposition to this measure were submitted by the Hawaii Bar Owners Association and the Hawaii Insurers Council. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that domestic violence is a growing and ever-present problem in our communities and that victims of domestic violence come from varying socio-economic backgrounds and educational levels. At times these victims are required to miss work for court hearings, doctor's appointments, counseling, and other issues relating to the abuse. As a matter of public policy, victims of domestic abuse should be afforded safeguards so that they may deal appropriately with the violence they have suffered. The comprehensive manner in which solutions to these problems are sought in this measure has resulted in a complex framework of new and amended statutory provisions. Your Committee believes that the measure must be examined further to determine how all of its components work together as well as how its provisions work with other statutes.

Concerns raised in written comments submitted to your Committee regarding this measure are multiple and complex. The Department of the Attorney General submitted comments expressing concern regarding section 15 requiring their office to monitor the actions of public agencies for discrimination towards those receiving public assistance. The Department of the Attorney General also objects to sections 4 and 5 of the measure (discrimination on the basis of domestic or sexual abuse, and employer violations of victims leave, respectively) because they may expose the State to additional liability and suggests that these sections be amended to conform with existing statutes. The Hawai'i Civil Rights Commission has expressed concerns about the need for clarification of what employer's obligations are with reference to the newly protected class established under section 6 (unlawful discriminatory practices; defined), unnecessary inclusions, overlapping statutes and the potential need for additional funding and staffing. The American Council of Life Insurers has concerns over sections that jeopardize their ability to underwrite and to responsibly disclose information that overlap new statutory language with existing statutory language, and that provide a private right of action contrary to national models. Organizations in opposition to this measure express concerns over businesses being liable for not protecting their other employees if forced to retain a domestic abuse victim and the significant unreasonable restrictions placed on insurance underwriting and claims handling procedures.

Accordingly, your Committee has made the following amendments:

- (1) Deleted all of section 15, as suggested by the Department of the Attorney General;
- (2) Clarified the State's liability exposure, as suggested by the Department of the Attorney General;
- (3) Established that it shall be an unlawful discriminatory practice for any employer to refuse to provide a reasonable safety accommodation requested by a victim of domestic violence and defining what a reasonable safety accommodation is;
- (4) Added a provision requiring employees to certify that they are a victim of domestic violence, as suggested by the Civil Rights Commission;
- (5) Conformed insurance provisions to the National Association of Insurance Commissioners (NAIC) model and revised the Health Maintenance Organization section to conform to other amendments, as suggested by the American Council of Life Insurers; and
- (6) Made technical, nonsubstantive stylistic changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2369, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2369, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Bunda).

**SCRep. 2629 Judiciary and Government Operations on S.B. No. 2571**

The purpose of this measure is to implement statutory changes that, upon ratification of an appropriate constitutional amendment:

- (1) Change the method of selection of Board of Education members from election to appointment by the Governor, with the advice and consent of the Senate, from pools of qualified candidates presented to the Governor by a newly established Board of Education Candidate Nomination Commission; and
- (2) Authorize the Board of Education student member to vote on all matters before the board, except for those matters relating to fiscal and personnel issues.

Written comments in support of the measure were submitted by four private organizations. Written comments in opposition to the measure were submitted by one state agency, one private organization, and one individual. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the provisions within the measure, are intended to implement, in the alternative, two constitutional amendments regarding the method of selection of the Board of Education members and the ability of the student member to vote on certain subjects before the Board. Your Committee finds that, in these difficult economic times during which fiscal decisions have so directly and severely impacted our children, issues of accountability and responsiveness must be balanced with direct citizen control over who makes the decisions affecting our public schools. Your Committee believes that discussion regarding these critical issues must take place in order to assure that our public school system is in the best hands.

Your Committee notes that the constitutional amendments at issue are contained in S.B. No. 2350, S.D. 1, and S.B. No. 2570 S.D. 1. Your Committee observes that, although S.B. No. 2571, S.D. 1 is intended to provide and amend the statutory provisions that would implement these two constitutional amendments in the alternative, the measure as received does not address the election of the student member of the Board, nor does it address what will occur if the student member provisions are ratified, but the change to the method of selection of the other Board members is not.

Accordingly, your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of style, clarity, and internal conformity and consistency with other statutory sections, in order to effectuate the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2571, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2571, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2630 Commerce and Consumer Protection on S.B. No. 2545**

The purpose of this measure is to regulate the consumption of liquor on unlicensed premises.

Your Committee received testimony in support of this measure from the Retail Liquor Dealers Association of Hawaii and seven private citizens. Testimony in opposition to this measure was received from the Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui and the City and County of Honolulu Liquor Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that unlicensed, bring-your-own-beverage establishments may be associated with problems such as noise or disruption in residential neighborhoods to a similar degree as establishments that are licensed to serve liquor. Your Committee finds that regulation of late-night activities at unlicensed premises is in the best interest of the State.

Your Committee finds that the objectives of this measure will be best accomplished by requiring limited licensure for bring-your-own-beverage establishments so that these establishments are subject to the same enforcement standards and penalties as are licensed premises. Your Committee finds that limiting the license requirement to the hours of 12 a.m. through 2 a.m. serve the purpose of narrowly tailoring regulation in order to address actual problems with late-night noise and disruption in neighborhoods without imposing unnecessary burdens on all establishments. Accordingly, your Committee has amended this measure by:

- (1) Removing the provision that required a permit for consumption of liquor on an unlicensed premises;
- (2) Adding a new provision to require that a bring-your-own-beverage establishment that allows consumption of liquor on its premises between the hours of 12 a.m. and 2 a.m. shall obtain a class 17 liquor license;
- (3) Adding a new section that creates a new class of license for bring-your-own-beverage establishments that permit consumption between the hours of 12 a.m. and 2 a.m. of liquor brought onto the premises by patrons or guests;
- (4) Deleting the new section that allows a patron of a licensed establishment who has brought in a bottle of wine to remove an unfinished bottle that has been recorked or resealed and adding this provision to the existing licensing requirements;
- (5) Deleting provisions relating to excess noise from activities within an unlicensed premises or the adjacent related outdoor areas thereof;
- (6) Making various conforming amendments to account for the new class of liquor license;
- (7) Changing its effective date to July 1, 2020 in order to promote further discussion; and
- (8) Making technical, nonsubstantive changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2545, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Sakamoto).

**SCRep. 2631 Commerce and Consumer Protection on S.B. No. 2859**

The purpose of this measure is to add new provisions to the Motor Vehicle Industry Licensing Act (Act) to further describe and add to the rights and liabilities that exist in the relationship between automobile dealers and automobile manufacturers by:

- (1) Extending the coverage of the Act to ancillary agreements;

- (2) Adding a definition of “relevant market area”;
- (3) Adding new provisions regarding grounds for license suspension and other action by the Motor Vehicle Industry Licensing Board (“Board”) including:
  - (A) Requiring disputes to be resolved in Hawaii;
  - (B) Limiting the rights of manufacturers to terminate a franchise agreement;
  - (C) Establishing certain benefits to dealers upon both voluntary and involuntary termination;
  - (D) Requiring notice before certain actions can be taken against dealers by manufacturers;
  - (E) Establishing the parameters of good cause for certain actions;
  - (F) Addressing compensation to dealers for labor and costs of parts in warranty work;
  - (G) Limiting the conditions and timing of audits of dealers by manufacturers;
  - (H) Addressing relocation of dealerships;
  - (I) Addressing transfers of dealerships; and
  - (J) Addressing other issues affecting the relationship between dealers and manufacturers;
- (4) Establishing a dispute resolution procedure to be administered by the Board;
- (5) Setting limits on a manufacturer or distributor’s ability to add or relocate a franchise in an existing dealer’s relevant market area;
- (6) Limiting a manufacturer’s authority to require training;
- (7) Limiting a manufacturer’s right to establish a customer satisfaction index; and
- (8) Limiting a manufacturer’s right to make vehicle allocations.

Your Committee received testimony in support of this measure from Hawaii Automobile Dealers Association, King Auto Center, Hilo-Kona Mazda Subaru, and Aloha Kia Auto Group. Testimony with comments was received from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and the Motor Vehicle Industry Licensing Board. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that the comments presented by the Hawaii Automobile Dealers Association and the Alliance of Automobile Manufacturers indicate that the parties have commenced meetings to attempt to achieve common ground. While the parties have achieved some progress, more discussion is planned to continue to address the issues presented by this legislation. Your Committee notes that this measure, in its current form, reflects certain agreements reached thus far that will enable the parties to continue to work toward a resolution. Your Committee notes that this measure in its current form does not represent total agreement among the parties. Accordingly, your Committee has inserted a delayed effective date of July 1, 2050, to facilitate further discussion.

Your Committee also finds that the areas of agreement among industry members, the Regulated Industries Complaints Office, and the Motor Vehicle Industry Licensing Board (Board) include:

- (1) The Board shall not be assigned the responsibility for deciding disputes arising from new sections of the Motor Vehicle Industry Licensing Act that was added by this legislation;
- (2) With regard to terminations of franchise agreements, compromise on the issue of notification period is likely;
- (3) Dealers who voluntarily terminate franchise agreements shall not be entitled to the same benefits as dealers whose franchise agreements are involuntarily terminated;
- (4) Compromise can be achieved on the subject of the value to be paid for depreciable assets;
- (5) Line-make termination by a manufacturer is to be considered good cause;
- (6) Transfer of franchise ownership, especially to a family member, should be more clearly defined and more easily accomplished;
- (7) Incentive payments for partial compliance where incentives are involved are not justified; and
- (8) Compromise on the following issues is likely:
  - (A) Warranty reimbursement rates;
  - (B) Audits for causes other than fraud;
  - (C) Facility requirements; and
  - (D) Relocating a franchise into the relevant market area of an existing franchise.

Your Committee further finds that a major issue that remains to be resolved for this measure relates to the proposal by the dealers to add a new definition of “ancillary agreement” that would make all written agreements, of any kind or nature, subject to the Motor Vehicle Industry Licensing Act where, under existing law, only franchise agreements are subject to the Act. Your Committee notes the testimony of the parties that they remain far apart on this issue. However, your Committee believes that the spirit of cooperation

exhibited by the parties will enable them to come to agreement on this issue as well as the other issues outlined in this committee report. Your Committee notes again that this measure currently represents a working document.

Your Committee has amended this measure by:

- (1) Deleting the definition of “ancillary agreement”;
- (2) Removing the provisions in section 3 of the bill that were made to section 437-28(a), Hawaii Revised Statutes, and creating a new subsection under chapter 437, Hawaii Revised Statutes, for clarity;
- (3) Removing the phrase “attempted to require” in several paragraphs of the bill;
- (4) Deleting references to the Board in the proposed new chapter;
- (5) Adding language that provides an exception to the provisions of this measure in certain sections where the dealer has received consideration for entering into an agreement;
- (6) Deleting specific notice periods in order to allow the parties to continue to negotiate reasonable notice periods;
- (7) Changing the effective date to July 1, 2050, in order to encourage further discussion; and
- (8) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2859, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2859, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Hemmings, Ihara).

**SCRep. 2632 Judiciary and Government Operations on S.B. No. 2534**

The purpose of this measure is to:

- (1) Require payment of a bail bond filing fee;
- (2) Require that the release of a prisoner upon acceptance of bail is prompt; and
- (3) Require law enforcement agencies to accept cash bail, certified copies of pre-filed bail bonds, and original bail bonds when the court of jurisdiction is closed, including during nights, weekends, and holidays.

Written comments in support of this measure were submitted by one private organization. Written comments in opposition to this measure were submitted by one state agency. Written comments presented to the Committee may be reviewed on the Legislature’s website.

Due to fiscal constraints, all state courts and most administrative operations of the Hawaii State Judiciary were closed for two days each month beginning in November of 2009. Your Committee finds that the additional days of closure of courts impose a hardship on prisoners to post bail. This measure will provide an additional means for prisoners to post bail, facilitating a more appropriate, prompt release of prisoners.

Your Committee has amended this measure by 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2534, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2534, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2633 Judiciary and Government Operations on S.B. No. 2897**

The purpose of this measure is to implement the recommendations developed by the Hawaii Ignition Interlock Implementation Task Force (Task Force).

Specifically this measure:

- (1) Creates a system of ignition interlock laws and mandatory sentencing for all convicted impaired driving offenders;
- (2) Establishes penalties for tampering and circumventing the interlock devices or aiding and abetting someone else to do so;
- (3) Makes refusal to submit to a breath, blood, or urine alcohol intoxication test a petty misdemeanor;
- (4) Removes the definition of “highly intoxicated driver”, amends the definition of “ignition interlock device”, and inserts the definition of “valid license”;
- (5) Clarifies the criminal penalties for operating a vehicle under the influence of an intoxicant;
- (6) Removes probation from the sentencing program for all offenders; and
- (7) Reinstates the section relating to the administrative impoundment of license plates and the revocation of vehicle registration by repeat offenders that was previously removed by Act 171, Session Laws of Hawaii 2008.



Written comments in support of this measure were received from one state agency and one organization. Comments in support of the intent of this measure with amendments were submitted by three state agencies and one organization. Comments were received by two state agencies. All comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that a strong ignition interlock program will help prevent alcohol-related crashes and reduce accident fatalities. As of 2008, forty-three per cent of all drivers involved in traffic fatalities in Hawaii tested positive for alcohol and drivers involved in fatal crashes were three times more likely than other drivers to have had a previous conviction for driving under the influence.

Ignition interlocks are an effective way of increasing the safety of all road users by mechanically preventing convicted drunk drivers from operating a vehicle with alcohol in their system. Ignition interlock bills are being adopted by an increasing number of states and because of their high success rates the federal government is considering implementing an act requiring all states to adopt ignition interlock laws.

Your Committee recognizes that during these difficult economic times adjustments must be made to reduce the cost of programs addressing ongoing problems. Your Committee further finds that the Task Force has done an excellent job of producing a cost-effective program that operates within our State's strict budgetary limits without sacrificing efficacy.

Your Committee finds that the recommendations from the Task Force create a realistic and practical ignition interlock program that focuses on teaching and correcting behavior first and punitive measures second.

Your Committee has amended this measure by:

- (1) Clarifying that any person who knowingly aids or abets the circumvention of an interlock requirement will be charged under section 291E-B, Hawaii Revised Statutes, as amended by this measure rather than section 286-133, Hawaii Revised Statutes;
- (2) Inserting language to provide partial financial relief for the ignition interlock installation and maintenance costs for indigent persons;
- (3) Changing the effective date of this measure to January 1, 2011, upon the enactment of sections 2 through 11 of Act 88, Session Laws of Hawaii 2009, to ensure that all amendments are applied to offenders arrested in 2011 consistently; and
- (4) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2897, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2634 (Joint) Labor and Ways and Means on H.B. No. 2169**

The purpose of this measure is to:

- (1) Establish a wage base at ninety per cent of the average annual wage for calendar years 2010 and 2011;
- (2) Establish the employer contribution rate for calendar year 2010 at the rate authorized for Schedule D;
- (3) Establish the employer contribution rate for calendar year 2011 at the rate authorized for Schedule F;
- (4) Retain the maximum weekly benefit rate at seventy-five per cent of the average weekly wage until December 31, 2011;
- (5) Change the maximum weekly benefit rate to seventy per cent of the average weekly wage beginning on January 1, 2012;
- (6) Authorize a special assessment upon employers to pay the principal and interest costs on loans received from the United States Secretary of Labor; provided that the Director of Labor and Industrial Relations develops a fair and equitable manner for distributing these payments among employers; and
- (7) Provide for the recalculation of the adequate reserve fund beginning in 2011.

Testimony in support of this measure was submitted by one county, seventy-seven private organizations, and six individuals. Testimony in support of the intent of this measure was submitted by one state agency and four private organizations. Testimony in opposition of this measure was submitted by three private organizations and one individual. Comments on this measure were submitted by three private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that keeping employers, especially small businesses throughout the State, in operation is of the utmost importance in taking the initial steps to revive Hawaii's economy. Your Committees also find that a significant percentage of the business expenses for employers operating in the State is allocated toward the payment of employment taxes. Your Committees further find that an adequate reserve in the State's Unemployment Insurance Trust Fund is a key element in protecting the integrity of the Fund. Ensuring adequacy of the Trust Fund through forward funding is one approach that buffers businesses against the heavy burden of higher taxes during economic downturns or precisely at the time that businesses can least afford higher employment taxes.

As affirmed by the records of votes of the members of your Committees on 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. 2169, H.D. 2, 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, 14; Ayes with Reservations (Slom, Takamine, Taniguchi). Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 2635 Education and Housing on H.B. No. 2077**

The purpose of this measure is to provide that no person twenty-one years of age or older shall be eligible to attend a public school and to repeal the authority of the Superintendent of Education to grant exceptions for individual cases.

Testimony in support of this measure was submitted by one state agency. Testimony in support of the intent of this measure was submitted by one state organization. Comments were submitted by two private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In *B.T. v. Department of Education*, December 17, 2009, federal district court Judge Ezra held that the Department of Education's administrative rule requiring that a student be under twenty years of age on the first instructional day of the school year to attend public school is not a valid exception to the federal Individuals with Disabilities Educational Act (IDEA). Judge Ezra ruled:

"The Court is not requiring Hawaii schools to provide special education to every student through 21 years of age in every situation. Defendant is enjoined from denying special education services based *solely* on a student's attainment of age 20."  
*B.T. v. Department of Education*, 2009 WL 4884447 at 8 (D.Hawai'i).

Your Committee finds that this measure is an attempt to address Judge Ezra's ruling by providing a consistent age limit for both general education and special education to students to be admitted to Hawaii's public schools.

However, your Committee also finds that the amendments proposed by this measure leave several issues to be further examined, such as ensuring that state laws and practices fully comply with IDEA. Additionally, your Committee is concerned that laws and practices should not extend an age limit for special education and general education students to enter public schools merely for the sake of allowing them to remain in school for a longer period of time. To this end, your Committee strongly encourages the Department of Education to continue its work on students' individualized education plans and plans to improve students' transition from school to higher education and the workforce.

Your Committee has amended this measure by:

- (1) Amending the age limit for admittance to public schools from twenty-one years of age to up to but not including twenty years of age; provided that if a person reaches twenty years of age after the first instructional day of the school year, that person shall be eligible to attend for the full school year; and
- (2) Inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2077, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2077, 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; Ayes with Reservations (Galuteria). Noes, none. Excused, 2 (Hemmings, Tsutsui).

**SCRep. 2636 Commerce and Consumer Protection on S.C.R. No. 41**

The purpose of this measure is to request an Auditor's sunrise review of the regulation of real estate appraisal management companies.

Your Committee received testimony in support of this measure from the Hawaii Chapter of the Appraisal Institute and one private citizen. Testimony with comments was received from Hawaii Financial Services Association; Clear Capital; and LSI, a division of Lender Processing Services, Inc. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appraisal management companies perform many important functions including appraisal review, quality control, market value dispute resolution, warranty administration, and record retention. Because of the importance of these functions and the rapid growth of the appraisal management industry in recent years, it is important that appraisal management companies be held to high standards of professionalism and ethical behavior. Your Committee further finds that the appraisal industry itself has been the strongest proponent of regulation, both in Hawaii and across the United States.

Your Committee further finds that the Legislature passed a resolution similar to this one in the 2009 Regular Session requesting that the Auditor perform a sunrise review of real estate appraisal management companies as provided in S.B. No. 1606. Your Committee notes that the Auditor has, to date, not conducted the requested study. It is the intent of your Committee, through this measure, to once again urge the Auditor to perform the requested study so that the Legislature may enact needed regulations of this important industry.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 2637 (Joint) Education and Housing and Energy and Environment on S.C.R. No. 20**

The purpose of this measure is to request the Department of Education to assist public schools statewide in adopting and implementing comprehensive campus recycling policies.

Testimony in support of this measure was submitted by one county agency, two private organizations, and one individual. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that recycling programs provide an opportunity for the conservation of resources and significant cost savings. Your Committees also find that schools generate large quantities of paper and other waste, and despite efforts by teachers, students, and staff at some schools to recycle, recycling services are not currently included in the Department of Education's trash pick-up contracts. This measure is intended to focus the Department's efforts toward establishing comprehensive recycling policies and to identify what further actions are necessary to implement recycling in schools.

Your Committees further find the proposed amendment to convene a youth task force to provide input on campus recycling policies to be productive and conducive to creating a sense of ownership and pride among students in their schools, environment, and State. Accordingly, your Committees have amended this measure as follows:

- (1) By requesting the Department of Education to convene a youth task force comprising high school students to propose ideas and develop recommendations to be considered by the Department in the establishment of campus recycling policies; and
- (2) By making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 20, 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. 20, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Hooser, Ihara, Kokubun, Tsutsui).

**SCRep. 2638 Human Services on S.C.R. No. 11**

The purpose of this measure is to request a study to determine what barriers in law, rules, regulations, or policies exist to securing more American Sign Language (ASL) community interpreting hours and provide recommendations for change.

Testimony in support of this measure was submitted by the Disability and Communication Access Board, University of Hawaii-Kapiolani Community College, and one individual. Comments on this measure were submitted by the Legislative Reference Bureau. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that access to sign language interpreters is vital to those in the community who are deaf and hard-of-hearing. Your Committee also finds that there is a lack of qualified individuals that are credentialed to work with deaf adults, and that a study would be an appropriate way to determine how to best address the shortage.

Your Committee has made the following amendments to this measure:

- (1) Clarifying that the study include a survey of current ASL interpreters working in Hawaii;
- (2) Replacing the reference to "Purple Communications" with the company that has taken over their role, LifeLinks VRI; and
- (3) Clarifying that this measure should be transmitted to the "President" of the Hawaii Registry of Interpreters rather than the "Administrator".

Your Committee has also amended this measure by making technical, nonsubstantive stylistic changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 11, 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. 11, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2639 Human Services on S.R. No. 21**

The purpose of this measure is to request a study to determine what barriers in law, rules, regulations, or policies exist to securing more American Sign Language (ASL) community interpreting hours and provide recommendations for change.

Testimony in support of this measure was submitted by the Disability and Communication Access Board, University of Hawaii-Kapiolani Community College, and one individual. Comments on this measure were submitted by the Legislative Reference Bureau. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that access to sign language interpreters is vital to those in the community who are deaf and hard-of-hearing. Your Committee also finds that there is a lack of qualified individuals that are credentialed to work with deaf adults, and that a study would be an appropriate way to determine how to best address the shortage.

Your Committee has made the following amendments to this measure:

- (1) Clarifying that the study include a survey of current ASL interpreters working in Hawaii;
- (2) Replacing the reference to "Purple Communications" with the company that has taken over their role, LifeLinks VRI; and
- (3) Clarifying that this measure should be transmitted to the "President" of the Hawaii Registry of Interpreters rather than the "Administrator".

Your Committee has also amended this measure by making technical, nonsubstantive stylistic changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21, 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. 21, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2640 Human Services on S.C.R. No. 32**

The purpose of this measure is to establish a Hawaii State Fall Prevention Task Force to develop a statewide approach to reducing falls among older adults.

Testimony in support of this measure was submitted by the Occupational Therapy Association of Hawaii, the Policy Advisory Board for Elder Affairs, the Injury Prevention Advisory Committee, and three individuals. Comments on this measure were submitted by the Legislative Reference Bureau. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that one third of elders in our communities fall each year, and that monetary and emotional costs to the elders and their families are large. Your Committee also finds that many of these falls are preventable, and that it is important to find ways to educate elders on prevention tactics and to facilitate active prevention.

Your Committee has amended this measure to designate a specific convener, designate the chair of the task force, and determine what entity is responsible for drafting legislation. Your Committee has also made 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 32, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2641 Human Services on S.R. No. 23**

The purpose of this measure is to establish a Hawaii State Fall Prevention Task Force to develop a statewide approach to reducing falls among older adults.

Testimony in support of this measure was submitted by the Occupational Therapy Association of Hawaii, the Policy Advisory Board for Elder Affairs, the Injury Prevention Advisory Committee, and three individuals. Comments on this measure were submitted by the Legislative Reference Bureau. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that one third of elders in our communities fall each year, and that monetary and emotional costs to the elders and their families are large. Your Committee also finds that many of these falls are preventable, and that it is important to find ways to educate elders on prevention tactics and to facilitate active prevention.

Your Committee has amended this measure to designate a specific convener, designate the chair of the task force, and determine what entity is responsible for drafting legislation. Your Committee has also made 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 23, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 23, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2642 Human Services on S.C.R. No. 31**

The purpose of this measure is to extend the deadline for the Home for Life Task Force to report its findings and recommendations for reducing barriers to aging in place and facilitating multigenerational living.

Testimony in support of this measure was submitted by the Occupational Therapy Association of Hawaii, the Kokua Council, the Disability and Communication Access Board and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Home for Life Task Force was originally conceived in 2009 pursuant to S.C.R. No. 7, S.D. 1 (2009). However, the Task Force has been unable to begin its requested responsibilities due to Governor's nonappointment of members to the Task Force. This measure extends the report submission deadline for one year so that, when the Governor appoints her Task Force representatives, the Task Force will be able to complete its work and report to the Legislature.

Your Committee also finds that aging in place is a very important issue to many people in the community including the families of the elderly. Your Committee further finds that entire families are affected when an elder becomes ill or is in need of assistance, and that the findings of the Task Force are vital to being able to develop adequate strategies for aging in place and multigenerational living.

Your Committee has made 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 Human Services 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, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2643 Human Services on S.R. No. 24**

The purpose of this measure is to extend the deadline for the Home for Life Task Force to report its findings and recommendations for reducing barriers to aging in place and facilitating multigenerational living.

Testimony in support of this measure was submitted by the Occupational Therapy Association of Hawaii, the Kokua Council, the Disability and Communication Access Board and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Home for Life Task Force was originally conceived in 2009 pursuant to S.C.R. No. 7, S.D. 1 (2009). However, the Task Force has been unable to begin its requested responsibilities due to Governor's nonappointment of members to the Task Force. This measure extends the report submission deadline for one year so that, when the Governor appoints her Task Force representatives, the Task Force will be able to complete its work and report to the Legislature.

Your Committee also finds that aging in place is a very important issue to many people in the community including the families of the elderly. Your Committee further finds that entire families are affected when an elder becomes ill or is in need of assistance, and that the findings of the Task Force are vital to being able to develop adequate strategies for aging in place and multigenerational living.

Your Committee has made 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 24, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 24, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2644 Transportation, International and Intergovernmental Affairs on S.C.R. No. 76**

The purpose of this measure is to request the Department of Transportation to coordinate a study with the transportation department of each of the respective counties and with interested stakeholders to recommend changes to current laws in order to accommodate the safe and proper operation of bicycles, mopeds, two-seat mopeds, Segways, hybrid bicycles, and powerful mopeds

Testimony in support of this measure was received from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that advancements in technology have made it possible to design and manufacture bicycles with electric motors and batteries to either supplement or to fully drive bicycles, making it possible for riders to cover longer distances, such as with hybrid bicycles that incorporate new technology and are very similar in size and weight to traditional bicycles. However, chapter 291C, Hawaii Revised Statutes, relating to the statewide traffic code defines "bicycle", "moped", "motor scooter", and "electric personal assistive mobility device" (Segway), but does not define hybrid bicycle, Segway, or two-seat moped. Moreover, existing definitions for bicycle, moped, and motor scooter are outdated.

Your Committee further finds that the streets and roadways in the State vary considerably in width and congestion, two important factors in the safe operation of traditional bicycles, mopeds, two-seat mopeds, Segways, hybrid bicycles, and powerful mopeds. A comprehensive study to be coordinated by the Department of Transportation and involving the transportation departments of each county, as well as interested stakeholders, is necessary to recommend changes to current laws in order to accommodate the safe and proper operation of bicycles, mopeds, two-seat mopeds, Segways, hybrid bicycles, and powerful mopeds.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Gabbard).

**SCRep. 2645 Transportation, International and Intergovernmental Affairs on S.R. No. 32**

The purpose of this measure is to request the Department of Transportation to coordinate a study with the transportation department of each of the respective counties and with interested stakeholders to recommend changes to current laws in order to accommodate the safe and proper operation of bicycles, mopeds, two-seat mopeds, Segways, hybrid bicycles, and powerful mopeds

Testimony in support of this measure was received from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that advancements in technology have made it possible to design and manufacture bicycles with electric motors and batteries to either supplement or to fully drive bicycles, making it possible for riders to cover longer distances, such as with hybrid bicycles that incorporate new technology and are very similar in size and weight to traditional bicycles. However, chapter 291C, Hawaii Revised Statutes, relating to the statewide traffic code defines "bicycle", "moped", "motor scooter", and "electric personal assistive mobility device" (Segway), but does not define hybrid bicycle, Segway, or two-seat moped. Moreover, existing definitions for bicycle, moped, and motor scooter are outdated.

Your Committee further finds that the streets and roadways in the State vary considerably in width and congestion, two important factors in the safe operation of traditional bicycles, mopeds, two-seat mopeds, Segways, hybrid bicycles, and powerful mopeds. A comprehensive study to be coordinated by the Department of Transportation and involving the transportation departments of each county, as well as interested stakeholders, is necessary to recommend changes to current laws in order to accommodate the safe and proper operation of bicycles, mopeds, two-seat mopeds, Segways, hybrid bicycles, and powerful mopeds.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 32 and recommends its adoption.



Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Gabbard).

**SCRep. 2646 Human Services on Gov. Msg. No. 201**

Recommending that the Senate advise and consent to the nomination of the following:

STATE REHABILITATION COUNCIL

G.M. No. 201 NATHAN E. SAY, for a term to expire 6-30-2011

Your Committee received testimony in support of Nathan E. Say from the Hawaii State Council on Developmental Disabilities, the Department of Human Services, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Nathan E. Say received a Bachelor of Arts degree from Brigham Young University-Hawaii in 2007. Currently, he is employed by the Center on Disability Studies (Administration on Developmental Disabilities) at their Youth Information, Training and Resource Center. Mr. Say also does consultation with various agencies, and was formerly the Youth Program Coordinator at the Hawaii Centers for Independent Living. Mr. Say is a member of the Self-Advocacy Advisory Council, and is currently the Chair of the Statewide Independent Living Council of Hawaii.

Testimony in support of Mr. Say's nomination indicates that he is dedicated to the disabled community, shows fervor and commitment, has numerous years of experience in the independent living field, has a wide range of knowledge, is respected in the community, and has leadership qualities that provide mentorship to other self-advocates. Mr. Say has also developed many positive relationships with various organizations outside the disability community that would be able to contribute to the vision of the State Rehabilitation Council.

Your Committee finds that, based on the testimony submitted on his behalf and his knowledge and experience in the disability field, Nathan E. Say has the experience, knowledge and other competencies to be a member of the State Rehabilitation Council.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, 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 (Hemmings).

**SCRep. 2647 Human Services on Gov. Msg. No. 202**

Recommending that the Senate advise and consent to the nomination of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 202 NATHAN E. SAY, for a term to expire 6-30-2014

Your Committee received testimony in support of Nathan E. Say from the Hawaii State Council on Developmental Disabilities, the Department of Human Services, the Statewide Independent Living Council of Hawaii, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Nathan E. Say received a Bachelor of Arts degree from Brigham Young University-Hawaii in 2007. Currently, he is employed by the Center on Disability Studies (Administration on Developmental Disabilities) at their Youth Information, Training and Resource Center. Mr. Say also does consultation with various agencies, and was formerly the Youth Program Coordinator at the Hawaii Centers for Independent Living. Mr. Say is a member of the Self-Advocacy Advisory Council, and is currently the Chair of the Statewide Independent Living Council of Hawaii.

Testimony in support of Mr. Say's nomination indicates that he is dedicated to the disabled community, has numerous years of experience in the independent living field, has a wide range of knowledge, is respected in the community, and possesses leadership qualities that provide mentorship to other self-advocates. Mr. Say has also had the opportunity to develop many positive relationships with various organizations outside the disability community that would be able to contribute to the vision of the Statewide Council on Independent Living.

Testimony regarding Mr. Say's current position as the Chair of the Statewide Independent Living Council indicates that under his leadership, the Council is moving in a positive direction to achieve its mission and he is a strong advocate who articulates his position in various disability issues with compassion and great conviction. Testimony also reveals that Mr. Say is one of the emerging leaders in Hawaii with a unique perspective that will move independent living forward. Mr. Say's charismatic personality and sense of humor have been assets to the Council.

Your Committee finds that, based on the testimony submitted on his behalf and his knowledge and experience in the disability field, Nathan E. Say has the experience, knowledge and other competencies to be a member of the Statewide Council on Independent Living.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, 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 (Hemmings).

**SCRep. 2648 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 226**



Recommending that the Senate advise and consent to the nomination of the following:

HARBORS MODERNIZATION GROUP

G.M. No. 226 EDWARD W. ENOS JR., for a term to expire 6-30-2014

Your Committee received testimony in support of Edward W. Enos, Jr., from the Harbors Modernization Group. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Edward W. Enos, Jr., is the appointment to the Harbors Modernization Group representing the maritime industry. Mr. Enos is currently Vice-President of the Hawaii Pilots Association and a State Harbor Pilot. He served with the United States Navy and was a Merchant Marine Reservist from 1987 to 2003. He received a Bachelor of Science degree from the California Maritime Academy. From 1994 to the present, the nominee has provided the State and the federal government with pilotage services at all commercial deep water ports in Hawaii and Johnston Island.

Your Committee takes favorable note of the nominee's answers to the Committee's written question as to what he perceives as his role and responsibilities as a member of the Harbors Modernization Group: "It is my hope that the HMG board members will take a broad view of the numerous projects at hand and keep each project focused on obtaining its intended final use, while staying within budget and on time. As a current Board member, I have observed that this objective is precisely what we are all trying to achieve."

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental 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 (Espero, Gabbard).

**SCRep. 2649 Transportation, International and Intergovernmental Affairs on Gov. Msg. Nos. 227 and 228**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 227 PETE G. PASCUA JR., for a term to expire 6-30-2014; and

G.M. No. 228 LESTER H. FUKUDA, for a term to expire 6-30-2013

Your Committee received testimony in support of Pete G. Pascua, Jr., from Wilson Okamoto Corporation and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Pete G. Pascua, Jr. represents the Oahu appointment to the Commission on Transportation. The nominee is a Hawaii licensed professional engineer who has served since 1995 as the Director of Traffic Engineering & Transportation Planning for Wilson Okamoto Corporation. Mr. Pascua received a Bachelor of Science in Civil Engineering from the University of Hawaii and obtained further education from the Traffic Engineering Academy at Northwestern University, Georgia Institute of Technology, and the Institute of Transportation Engineers.

Your Committee notes favorably the nominee's answer to the Committee's written question as to what he perceives as his role and responsibilities as a member of the Transportation Commission: "I perceive that my role and responsibility, as a member of the COT, are to actively provide my view and understanding of issues and matters under the jurisdiction of the DOT that are brought before the COT. I would have the duty as well as the responsibility to uphold the integrity of the Commission while providing valuable input and sound decision-making abilities."

Your Committee received testimony in support of Lester H. Fukuda from one member of the State House of Representatives.

Lester H. Fukuda represents the Oahu appointment to the Commission on Transportation. The nominee received a Bachelor of Science in Civil Engineering from the University of Hawaii. He is a Hawaii licensed civil engineer and is Vice President of HDR/Hawaii Pacific Engineers. He has over thirty-three years of experience in planning, coordination, design, and construction services for various site development, repair, renovation, and new construction projects for the federal government, state government, and private industry.

Your Committee notes favorably the nominee's answer to the Committee's written question to name three qualities that best describe him and what would make him stand out, and how these qualities would benefit the Commission on Transportation: "Dedication to understanding issues and ability to cooperate with others to find solutions or to develop a vision of the future. Ability to work with others to define issues and develop solutions or to assist in finding resources that will help us to understand the issues or solutions. Knowledge of our legislative process and team work."

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental 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, 3. Noes, none. Excused, 2 (Espero, Gabbard).

**SCRep. 2650 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 233**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF MOLOKAI

G.M. No. 233 SUE ANN M.M. HASEGAWA, for a term to expire 6-30-2014

Your Committee received testimony in strong support of the nominee from one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Sue Ann M.M. Hasegawa is a current member of the Molokai Island Burial Council, and your Committee finds that Ms. Hasegawa possesses the necessary background, desire, and qualifications to continue serving on the Council.

Ms. Hasegawa is currently a Distance Education Specialist at the Molokai Education Center of Maui Community College, and she brings expertise and previous work experience in education and library science to the Council. Ms. Hasegawa earned a Master's Degree in Library Information and Science, a Professional Diploma in Elementary Education, and a Bachelor's Degree in Political Science from the University of Hawaii at Manoa and a Certificate of Achievement in Early Childhood Education from Maui Community College. Ms. Hasegawa is a member of several local and national library associations and has served as a member or in leadership roles on several committees, such as the Schoolwide Planning Committee and the Technology Cadre, for Maunaloa Elementary School.

In addition to her academic achievements and contributions to education, Ms. Hasegawa has also volunteered with a number of local organizations, including The Nature Conservancy and the Molokai Public Library. Most notably, she served as a volunteer member of the Governor's Advisory Board for the Island of Molokai from 2005 to 2007. In this capacity, Ms. Hasegawa gained experience with community hearings and hearings procedures, which are valuable skills to carry over to the work of the Molokai Island Burial Council.

Your Committee finds that Ms. Hasegawa contributes to the Council intimate knowledge of and respect for the history of Molokai and a commitment to thoroughly understand and diligently address issues that come before the 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, 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 (Bunda, Hemmings, Tokuda).

**SCRep. 2651 Judiciary and Government Operations on Gov. Msg. No. 240**

Recommending that the Senate consent to the nomination of the following:

INTERMEDIATE COURT OF APPEALS, STATE OF HAWAII

G.M. No. 240 LISA M. GINOZA, for a term of ten years

Your Committee received testimony in support of the appointment of Lisa M. Ginoza from the State Attorney General; the State Public Defender; Major General Robert G.F. Lee, State Adjutant General of the State Department of Defense; Brigadier General Gary Ishikawa, State Department of Defense; Director of Human Resources Development; Director and Deputy Director of Labor and Industrial Relations; Director of Transportation; Deputy Director of the Airports Division, Department of Transportation; Chairperson of the Board of Land and Natural Resources; Chairperson of the Board of Agriculture; Administrator of the Budget, Program Planning and Management Division, Department of Budget and Finance; House Speaker Calvin Say, State House of Representatives; the Honolulu Prosecuting Attorney; and fifty-one individuals. Comments regarding the appointee were submitted by the Board of Directors of the Hawaii State Bar Association. Written testimony presented to your Committee may be reviewed on the Legislature's website.

The Hawaii State Bar Association found the appointee to be qualified for the position of Judge, Intermediate Court of Appeals, based upon the criteria of integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, and public service, collegiality, and writing ability.

Lisa M. Ginoza received a Bachelor of Science degree in Political Science with a minor in Economics from Oregon State University, from which she graduated with the highest distinction and was named as a Presidential Scholar. Ms. Ginoza also received a Juris Doctor degree from the University of Hawaii, William S. Richardson School of Law, where she was a member of and an editor with the law review. Since 2005, she has been the First Deputy Attorney General with the Department of the Attorney General, where she is responsible for supervising over one hundred seventy attorneys and over seven hundred employees, as well as having detailed involvement in litigation by and against the State, gives advice and counsel to Hawaii's public officials, and reviews administrative and criminal investigations, asset forfeiture cases, and legislative matters. Prior to her work as the First Deputy Attorney General, Ms. Ginoza worked in private practice at McCorriston Miller Mukai MacKinnon between 1990 to 2005, first as an associate and then as a partner, concentrating her practice in civil litigation, within areas as diverse as insurance litigation, personal injury, commercial and contract disputes, employment litigation, and products liability. Between 1989 and 1990, she served as a law clerk to Judge Samuel P. King, of the United States District Court, District of Hawaii.

Ms. Ginoza has also demonstrated a commitment to the legal community by serving on an American Judicature Society Special Committee on the American Bar Association (ABA) Model Code of Judicial Conduct, which submitted recommendations to the Hawaii Supreme Court for the adoption of the ABA Model Code. Additionally, she has acted as an adjunct professor at the University of Hawaii's William S. Richardson School of Law for appellate advocacy. She continues to serve as a practice judge in moot court competitions for the law school's moot court teams.

Testimony indicates that Ms. Ginoza has a reputation in the legal community for her deep intelligence, superior analytical skills, fair-mindedness, civility, diligence, and professionalism. Testifiers spoke of her abiding respect for the law and her ability to quickly

identify legal issues, thoroughly research and investigate all pertinent facts and law, and consistently make sound and quality decisions. By both former adversaries and former co-workers, Ms. Ginoza is characterized as a strong team player, who is easy to work with, and who is unflappable and consistently even tempered. Additionally, many testifiers addressed her sense of commitment to fairness and justice. Overall, your Committee finds that Ms. Ginoza's breadth and depth of legal experience and knowledge, her integrity, and her exceptional character will make her a well-qualified Intermediate Court of Appeals judge.

Your Committee finds that, based on the testimony submitted on her behalf, Lisa M. Ginoza has the experience, temperament, judiciousness, and other competencies to be an Intermediate Court of Appeals judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for an Intermediate Court of Appeals judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2652      Judiciary and Government Operations on Gov. Msg. No. 241**

Recommending that the Senate consent to the nomination of the following:

CIRCUIT COURT OF THE FIRST CIRCUIT, STATE OF HAWAII

G.M. No. 241    ROBERT M. BROWNING, for a term to expire in ten years

Your Committee received testimony in support of the appointment of Robert M. Browning from the State Attorney General; the State Public Defender; the Director of Labor and Industrial Relations; the Honolulu Prosecuting Attorney; the Family Law Section of the Hawaii State Bar Association; Judge Frances Q.F. Wong (retired); Judge Victoria S. Marks (retired); one private organization; and fifty-one individuals. Testimony in opposition to Judge Browning was submitted by one individual. Comments regarding the appointee were submitted by the Board of Directors of the Hawaii State Bar Association. Written testimony presented to your Committee may be reviewed on the Legislature's website.

The Hawaii State Bar Association found the appointee to be qualified for the position of Judge, Circuit Court of the First Circuit, based upon the criteria of integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, and public service, collegiality, and writing ability.

Judge Robert M. Browning received a Bachelor of Arts degree in Asian Studies from the University of the South magna cum laude, and a Juris Doctor degree from Lewis & Clark Northwestern School of Law. Since 1997, he has been a District Family Judge, in the Family Court of the First Circuit. During this time, he has served as lead/supervising judge of two Family Court divisions and as the Presiding Judge of the Juvenile Drug Court. Prior to his full-time service on the Family Court bench, Judge Browning served as a Per Diem District Family Judge for two years. Between 1988 and 1997, Judge Browning also worked in private practice, with the law firm of Shim, Tam, Kirimitsu, Kitamura & Chang, first as an associate and then as a partner, concentrating his practice in civil litigation. Prior to entering private practice, Judge Browning worked as a Deputy Prosecuting Attorney for the City and County of Honolulu.

Judge Browning's work in the Family Court has been incredibly productive. For example, during his tenure as the lead judge of the Domestic Division, he developed initiatives that made mediation mandatory for divorces except in cases involving domestic violence. In 1991, he started Project Visitation to address the needs of foster children who are separated from their siblings by the foster care system. Under this program, volunteers arrange transportation for separated siblings who may not otherwise be able to see each other, sometimes for years at a time. These projects, and his development and implementation of the Juvenile Drug Court, reflect Judge Browning's compassion for the individuals in his court and in the Family Court as a whole, and his desire to improve the proceedings within the Family Court.

Testimony in support of the appointee indicates that Judge Browning is diligent, hardworking, caring, and very thoughtful. Judge Browning has a reputation in the legal community for pragmatism, intelligence, and excellent legal reasoning, with an even judicial temperament. Further, testimony reflected that he is able to correctly analyze complicated issues and to communicate that analysis in a clear and concise manner. His thorough knowledge of family law issues and his extensive experience in both civil litigation and criminal law will provide a valuable background from which to draw on the Circuit Court.

Your Committee finds that, based on the testimony submitted on his behalf, Robert M. Browning has the experience, temperament, judiciousness, and other competencies to be a Circuit Court judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a Circuit Court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Takamine).

**SCRep. 2653      Human Services on Gov. Msg. No. 266**

Recommending that the Senate advise and consent to the nomination of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 266    BEVERLY C. WONG, for a term to expire 6-30-2013

Your Committee received testimony in support of Beverly C. Wong from the Department of Human Services, the Statewide Independent Living Council of Hawaii, the Hawai'i Hotel & Lodging Association, and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Beverly C. Wong attended the University of Hawaii and Honolulu Business College. Ms. Wong has held numerous positions within the state and city governments, beginning in 1954 when she worked for the Highways Division of the Department of Transportation. In 1969 she moved to the Board of Water Supply under the Department of Public Works, and subsequently to the Chancellor's Office at the University of Hawaii at Manoa. Thereafter, Ms. Wong was employed by the City and County of Honolulu's Managing Director's Office and retired from the State Department of Transportation.

Testimony in support of Ms. Wong's nomination indicates that she has a positive attitude, strong organizational and speaking skills, and vast experiences working for local government. She enthusiastically embraces the values of independent living for all people, possesses the utmost integrity and character, and is a warm, cheerful person that fills the room with her great enthusiasm for the work at hand. Testimony also indicates that Ms. Wong is reasonable, will listen to different points of view, and will be an asset to the Council.

Your Committee finds that, based on the testimony submitted on her behalf and her past experiences working within government, Beverly C. Wong has the experience, knowledge and other competencies to be a member of the Statewide Council on Independent Living.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, 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 (Hemmings).

**SCRep. 2654 Education and Housing on S.C.R. No. 21**

The purpose of this measure is to request public and private schools to incorporate more kinesthetic and other types of learning into school curricula.

Your Committee finds that students respond in varying degrees to different styles of learning. This measure will improve student learning outcomes by encouraging Hawaii's schools to offer a greater variety of learning opportunities to take advantage of the unique learning methods of Hawaii's children.

As affirmed by the record of votes of the members of your Committee on Education and 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, 4. Noes, none. Excused, 2 (Hemmings, Tsutsui).

**SCRep. 2655 Education and Housing on S.C.R. No. 28**

The purpose of this measure is to request the Department of Education to implement a statewide plan to eliminate the waste of milk distributed with school lunches.

Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure prompts statewide action to reduce the waste of both public funds and valuable resources and to convert an existing inefficiency into an opportunity to provide better health for school children.

Upon the consideration of information on the Department of Education's existing efforts to reduce food waste and milk waste, your Committee has amended this measure by:

- (1) Removing the language requesting the Department of Education to develop, implement, and report on a statewide plan to eliminate the waste of milk;
- (2) Describing your Committee's findings on the Department of Education's current implementation of the United States Department of Agriculture's Offer versus Serve (OVS) concept;
- (3) Inserting language to encourage the Department of Education to continue implementation of the OVS concept and to expand implementation of the OVS concept to all of Hawaii's public schools; and
- (4) Amending the measure's title to reflect its amended purpose.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 28, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 28, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hemmings, Tsutsui).

**SCRep. 2656 Education and Housing on S.C.R. No. 94**

The purpose of this measure is to request the Department of Education to establish a two-year pilot program to offer online instruction to middle and high school students in the public school system.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee received information through testimony that the Department of Education already offers online courses to high school and middle school students through various programs, including the E-School, the University of Hawaii Online Learning Academy, and a July 2010 initiative to offer grade eight online instruction to students in a particular school complex.

Upon consideration of the Department's ongoing efforts to expand opportunities for online instruction and information on the significant costs of expanding these opportunities, your Committee has amended this measure by:

- (1) Removing the language requesting the Department of Education to establish and report on a two-year pilot program for online instruction;
- (2) Inserting language requesting the Department of Education to report to the Legislature the estimated costs of the existing Hawaii Virtual Learning Network, cost savings of online versus classroom instruction, costs of expanding the Network's programs or courses, the Network's impact on teachers and students, and measures of academic achievement of student participants in the Network;
- (3) Amending the title of the measure to reflect the measure's amended purpose; 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 Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 94, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 94, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hemmings, Tsutsui).

**SCRep. 2657      Judiciary and Government Operations on S.C.R. No. 38**

The purpose of this measure is to recommend that the Kapolei Court Complex be renamed the "Ronald T.Y. Moon Judicial Complex".

Testimony in support of the measure was submitted by one individual. Testimony in opposition to the measure was submitted by one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Chief Justice Ronald T.Y. Moon has served this State well as the Chief Justice of the Hawaii Supreme Court since 1993. He has been a decisive and tireless leader of the Judiciary and has shown unwavering support for increasing access to the judicial system, especially for traditionally underserved communities, such as the Leeward Coast on Oahu. Your Committee finds that renaming the Kapolei Court Complex after Chief Justice Moon shows the State's deep appreciation for his tremendous service to the Judiciary and 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 Judiciary and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 2658      Commerce and Consumer Protection on Gov. Msg. Nos. 180 and 236**

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 180    GERALD YAMADA, for a term to expire 6-30-2014; and

G.M. No. 236    RANDALL B.C. LAU, for a term to expire 6-30-2014

Your Committee received testimony in support of the nomination of Gerald Yamada from the Department of Commerce and Consumer Affairs, the Chair of the Contractors License Board, and BIA-Hawaii.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Contractors License Board qualify him for reappointment to the Contractors License Board. Your Committee notes that Gerald Yamada has been licensed since 1987 as a painting contractor, and subsequently obtained licensure in general engineering, general building, and several other specialty classifications. As Chairperson of the Board's Scope of Work Committee, he serves an important role in guiding the Board through the process of defining the work that may be performed under the various license classifications. Your Committee further finds that this nominee has been reappointed to the Contractors License Board based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Randall B.C. Lau from the Department of Commerce and Consumer Affairs, the Chair of the Contractors License Board, BIA-Hawaii, and one private citizen.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Contractors License Board qualify him for reappointment to the Contractors License Board. Your Committee notes that Randall B.C. Lau has been licensed as a general building contractor since 1991, and subsequently obtained licensure in general engineering and numerous other specialty classifications. His many years experience in the construction industry have made



him a valuable asset to the Board, where he reviews applications, disciplinary orders, inquiries to the Board and assists in the examination review process. Your Committee further finds that this nominee has been reappointed to the Contractors License Board based on his knowledge, experience, and commitment to public service.

Personal statements and resumes were received from the nominees. Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ihara).

**SCRep. 2659 Commerce and Consumer Protection on Gov. Msg. No. 181**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 181 MELANIE BILBAENO VALLEJOS DDS, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website

Upon review of the testimony, your Committee finds that the nominee's experience in the profession of dentistry, commitment to public service, and proven leadership on the Board of Dental Examiners qualify her for reappointment to the Board of Dental Examiners. Your Committee notes that the nominee has been licensed to practice dentistry since 1994, and has been in private practice on the island of Maui since 1995, where she opened her own office in 2006. In addition, the nominee teaches part time at Maui Community College's Dental Hygiene Program and volunteers for international dental missions, both of which bring a breadth of experience and decision-making skills to her work on the Board. Your Committee further finds that this nominee has been reappointed to the Board of Dental Examiners based on her knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Green, Hemmings, Ihara).

**SCRep. 2660 Commerce and Consumer Protection on Gov. Msg. No. 182**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 182 LINDSEY JOHN KIMURA, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Board of Electricians and Plumbers qualify him for reappointment as a public member to the Board of Electricians and Plumbers. Your Committee notes that the nominee is a licensed chiropractor, and is the owner of his private chiropractic practice as well as a consulting business. The combination of his professional and small business expertise brings a valuable perspective to the deliberations of the Board where he is a diligent and contributing member. Your Committee further finds that this nominee has been reappointed to the Board of Electricians and Plumbers based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ige, Ihara).

**SCRep. 2661 Commerce and Consumer Protection on Gov. Msg. No. 185**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF MASSAGE THERAPY

G.M. No. 185 RHONDA C. SCOTT, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Upon review of the testimony, your Committee finds that the nominee's experience in the profession of massage therapy, commitment to public service, and proven leadership on the Board of Massage Therapy qualify her for reappointment to the Board of Massage Therapy. Your Committee notes that the nominee has a background in hospital and healthcare management, has been a licensed massage therapist in Hawaii since 1988, and owns a business, now in its nineteenth year, which offers a variety of massage products and services. With this combination of massage therapy and small business experience, the nominee brings a unique insight into the needs and concerns of massage therapists and the ever-changing issues facing the profession. Your Committee further finds that this nominee has been reappointed to the Board of Massage Therapy based on her knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Green, Hemmings, Ihara).

**SCRep. 2662 Commerce and Consumer Protection on Gov. Msg. No. 187**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII MEDICAL BOARD

G.M. No. 187 DANNY MORITO TAKANISHI JR., for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs; John A. Burns School of Medicine; University of Hawai'i at Manoa Department of Surgery; Hawaii Residency Programs, Inc.; and University Clinical, Education, & Research Associates. A personal statement and curriculum vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience as a physician and surgeon, commitment to public service, and proven leadership on the Hawaii Medical Board qualify him for reappointment to the Hawaii Medical Board. Your Committee notes that the nominee is a 1987 graduate of the John A. Burns School of Medicine, with extensive postgraduate training in surgery at the University of Hawaii and the University of Chicago, and has been licensed to practice since 1989. He brings many years of experience as a practitioner, prestigious academic credentials, and strong organizational skills to his work on the Board and was elected Chairman in 2009. Your Committee further finds that this nominee has been reappointed to the Hawaii Medical Board based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Green, Hemmings, Ihara).

**SCRep. 2663 Commerce and Consumer Protection on Gov. Msg. Nos. 188, 189, and 190**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF NURSING

G.M. No. 188 MATTHEW J. BISHOP, for a term to expire 6-30-2013;

G.M. No. 189 STEPHEN A. KULA PhD, for a term to expire 6-30-2013; and

G.M. No. 190 CECILIA P.S. MUKAI PhD, for a term to expire 6-30-2013

Your Committee received testimony in support of the nomination of Matthew J. Bishop from the Department of Commerce and Consumer Affairs and the Hawaii Association of Nurse Anesthetists. A personal statement and curriculum vitae were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's experience in the profession of nursing, commitment to public service, and proven leadership on the State Board of Nursing qualify him for reappointment to the State Board of Nursing. Your Committee notes that Matthew J. Bishop is a Certified Registered Nurse Anesthetist with over a decade of nursing experience in hospital settings and is active in numerous professional nursing organizations. As such, he brings a breadth of knowledge and commitment to safe nursing practices and is currently Chair of the Board's Practice Committee. Your Committee further finds that this nominee has been reappointed to the State Board of Nursing based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Stephen A. Kula from the Department of Commerce and Consumer Affairs. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the State Board of Nursing qualify him for reappointment as a public member to the State Board of Nursing. Your Committee notes that Stephen A. Kula has over thirty years of senior-level executive and financial management experience for private and not-for-profit companies, as well as serving as an Adjunct Professor in computer sciences. He brings strong interpersonal skills and team building experience to the Board and currently serves as Chair of the Board. Your Committee further finds that this nominee has been reappointed to the State Board of Nursing based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Cecilia P.S. Mukai from the Department of Commerce and Consumer Affairs and three private citizens. A personal statement and curriculum vitae were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's experience in the profession of nursing, commitment to public service, and proven leadership on the State Board of Nursing qualify her for reappointment to the State Board of Nursing. Your Committee notes that Cecilia P.S. Mukai is a licensed Advanced Practice Registered Nurse with over thirty-five years of nursing, nurse education, and administrative experience, and an extensive list of publications and presentations. The nominee brings both a breadth and depth of expertise to her work on the Board, particularly in issues of licensure. Your Committee further finds that this nominee has been reappointed to the State Board of Nursing based on her knowledge, experience, and commitment to public service.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection 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 (Green, Hemmings, Ihara).

**SCRep. 2664 Commerce and Consumer Protection on Gov. Msg. No. 192**

Recommending that the Senate advise and consent to the nomination of the following:

PUBLIC UTILITIES COMMISSION

G.M. No. 192 CARLITO P. CALIBOSO, for a term to expire 6-30-2016

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, and its Division of Consumer Advocacy; a Commissioner of the Public Utilities Commission; the Department of Business, Economic Development, and Tourism; Hawaiian Electric Company; Kauai Island Utility Cooperative; Hawaii Energy Policy Forum; Hawaii Renewable Energy Alliance; Hawaii Solar Energy Association; Pacific DirectConnect Inc; Honeywell Utility Services; Blue Planet Foundation; Rush Moore LLP; Yamamoto & Settle; Hawaii Lending Specialists, LLC; and over twenty private citizens. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Public Utilities Commission qualify him for reappointment to the Public Utilities Commission. Your Committee notes that the nominee has served as the Chair of the Public Utilities Commission since 2003, and has been reappointed twice to the position. Since 2003, the Commission has addressed major energy policy issues in dockets addressing renewable portfolio standards, third party administration of energy efficiency programs, distributed generation, competitive bidding, net energy metering, feed-in-tariffs, and decoupling, among many other issues, in an effort to implement major policies established by the State. In addition, in 2009, the Legislature also tasked the Commission with implementing an energy efficiency portfolio standards law, which will require the Commission to open a new proceeding to thoroughly investigate and make determinations to implement State's energy efficiency policy goals and objectives.

The nominee testified that implementing the State's energy policy initiatives while controlling costs for electric utility customers, and maintaining electrical service reliability and the financial health of the electric utilities is the greatest overall challenge faced by the Commission. And despite the current economic climate, the nominee stressed the need to recognize that investments during the short term will increase energy efficiency and renewable energy generation for the long-term benefit of the people of Hawaii.

Your Committee has heard testimony in strong support of the nominee from a wide range of entities, including those that often appear in opposition to each other in matters before the Public Utilities Commission. Your Committee appreciates the leadership and dynamic change the nominee has brought to the Commission during his tenure as Chair. Your Committee further finds that this nominee has been reappointed to the Public Utilities Commission based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ige, Ihara).

**SCRep. 2665 Commerce and Consumer Protection on Gov. Msg. No. 193**

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

G.M. No. 193 FRANCES ALLISON TORRE GENDRANO, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, a member of the Real Estate Commission, Hawai'i Association of REALTORS, and Red Monarch Communications LLC. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's experience in the profession of real estate, commitment to public service, and proven leadership on the Real Estate Commission qualify her for reappointment to the Real Estate Commission. Your Committee notes that the nominee's real estate expertise and her leadership in local volunteer organizations make her a valuable contributor as a Commissioner. She currently serves as Vice President of the Laws and Rules Committee, one of the Commission's

three standing committees, and as a result has a keen knowledge of the laws and rules and their impact on the duties of the Commission. Your Committee further finds that this nominee has been reappointed to the Real Estate Commission based on her knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ige, Ihara).

**SCRep. 2666 Commerce and Consumer Protection on Gov. Msg. No. 195**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 195 ELWOOD ICHIRO KITA, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, County of Hawai'i Office on Aging, Hawaii Island Rural Health Association, The Church of the Holy Cross, and two private citizens. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Board of Veterinary Examiners qualify him for reappointment as a public member of the Board of Veterinary Examiners. Your Committee notes that the nominee is a Licensed Social Worker with forty years experience in a variety of healthcare settings on the Island of Hawaii, and is active in a broad range of community service organizations, experiences which are invaluable in his current role as a board member. Your Committee further finds that this nominee has been reappointed to the Board of Veterinary Examiners based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Green, Hemmings, Ihara).

**SCRep. 2667 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. Nos. 234 and 235**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 234 WILLIAM D. BALFOUR JR., for a term to expire 6-30-2010; and

G.M. No. 235 WILLIAM D. BALFOUR JR., for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds William D. Balfour, Jr. to have the requisite qualifications to be nominated to the Commission on Water Resource Management.

Testimony in support of the nomination of Mr. Balfour was submitted by two state agencies, six organizations, and seven individuals. One individual submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Balfour received his Bachelor's of Science degree from the University of Missouri in General Agriculture, and has completed post-graduate work with the Hawaii Sugar Planters' Association and Stanford University. He has worked as the Irrigation Division Overseer and Irrigation Superintendent for the Lihue Plantation Company and the President and Manager for the East Kauai Irrigation System and the Waiahole Irrigation System. Mr. Balfour is presently employed as a consultant to the Monsanto Company. He serves as an interim member of the Commission on Water Resource Management, and satisfies the requirement that each member have substantial experience in the area of water resource management.

Mr. Balfour spent forty years in the sugar industry and managed four irrigated plantations. He understands the importance of water and understands the management of this resource due to his extensive experience making management decisions on levels and flows using extensive ditch and reservoir systems. With the ever-increasing demands on this static resource, Mr. Balfour brings experience and an honest, straightforward voice to the Commission. In addition to his water management experience, Mr. Balfour is dedicated to public service. He spent ten years with the City and County of Honolulu as the director of parks and recreation and the administrator for the Oahu civil defense agency. His devotion to public service will ensure that he fairly and rationally considers the issues that come before the Commission prior to making any decision.

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 positions 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 (Bunda, Hemmings, Tokuda).

**SCRep. 2668 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. Nos. 273 and 274**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUA'I AND NI'IHAU

G.M. No. 273 JAMES WILFRED FUJITA, for a term to expire 6-30-2012; and

G.M. No. 274 DEBRA U'ILANI RUIZ, for a term to expire 6-30-2013

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds James Wilfred Fujita and Debra U'ilani Ruiz to have the necessary qualifications to be nominated to the Island Burial Council for the islands of Kaua'i and Ni'ihau.

Testimony in support of the nomination of James Wilfred Fujita was submitted by one state agency.

Mr. Fujita presently serves as an interim member of the Island Burial Council. He is personally committed to serving the Hawaiian community and brings a keen cultural understanding in the matters of the ocean and land to the Council. Mr. Fujita is a life-long resident of Kaua'i, involved with several native Hawaiian organizations, and a successful small business owner. Additionally, he is trained in radar operations and electricity repair, is a certified Emergency Medical Technician and Housing Inspector for the Federal Emergency Management Agency, and is a licensed real estate agent and insurance agent. Mr. Fujita has a diverse professional background which lends to his ability to communicate and interact effectively with other people. These professional skills combined with his personal commitment to serving the Hawaiian community make him an effective and compassionate member of the Island Burial Council.

Testimony in support of the nomination of Debra U'ilani Ruiz was submitted by one state agency.

Ms. Ruiz presently serves as an interim member of the Island Burial Council. She was raised in Waimea valley and taught to respect the ocean and the land. Ms. Ruiz is trained in the protocols of funerals and other high ceremonies, and mentors the next generation in their practice of cultural protocols. She is a member and past President of Hale O Na Alii O Hawaii, Halau O Kapiolani and supports the Ke Kula Niihau O Kekaha charter school. Ms. Ruiz is presently employed as an executive secretary at the Pacific Missile Range Facility at Barking Sands. Her professional experience combined with her community service informs her broad view of life, which has inspired her to share her cultural expertise with future generations and work for the Island Burial Council.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

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, 3 (Bunda, Fukunaga, Takamine).

**SCRep. 2669 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 311**

Recommending that the Senate advise and consent to the nomination of the following:

KOKE'E STATE PARK ADVISORY COUNCIL

G.M. No. 311 NOREEN R. OHAI-DANIELS, for a term to expire 6-30-2011

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Noreen R. Ohai-Daniels to have the necessary qualifications to be nominated to the Koke'e State Park Advisory Council.

Testimony in support of the nomination of Noreen R. Ohai-Daniels was submitted by one state agency and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Ohai-Daniels presently serves as an interim member of the Koke'e State Park Advisory Council. She is a farmer, with extensive community service including with the Latter-Day Saints Church Relief Society, Reading is Fundamental Program at Kapaa School, Boy Scout Advisory Committee, Kamehameha Schools Parent Committee, and the Hawaii Tropical Flower and Foliage Association, Kaua'i Chapter. Ms. Ohai-Daniels has farmed for the past forty years, growing tropical flowers and foliage, taro, and tropical fruit, complemented by livestock. She was raised on Kaua'i and O'ahu, and spent many of her early years wandering the fields and shoreline with her grandparents and cousins looking for medicinal herbs, limu, and other edible items clinging to the rocks on the reef. Ms. Ohai-Daniels feels she is culturally and spiritually connected to Kaua'i, and is committed to working for the good of Koke'e State Park. Her fellow council members support her nomination and state that she is a thoughtful, hard-working, and intelligent community representative who is deeply committed to preserving Koke'e State Park and Waimea Canyon.

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, 3 (Bunda, Fukunaga, Takamine).

**SCRep. 2670 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 312**

Recommending that the Senate advise and consent to the nomination of the following:

LEGACY LAND CONSERVATION COMMISSION

G.M. No. 312 ROBERT J. SHALLENBERGER, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds Robert J. Shallenberger to have the necessary qualifications to be nominated to the Legacy Land Conservation Commission.

Testimony in support of the nomination of Robert J. Shallenberger was submitted by one state agency, one organization, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Shallenberger received his Bachelor's degree from Whitman College in Biology, and his Master's degree and Doctor of Philosophy in Zoology from the University of California – Los Angeles. His doctoral research focused on the biology of Hawaiian seabirds, and he has since conducted additional research on Hawaiian forest birds, dolphins, Hawaiian monk seals, reef fish, and aquaculture species. Dr. Shallenberger is presently employed as the Hawaii Island Conservation Director for The Nature Conservancy of Hawaii.

Dr. Shallenberger is presently a member of the Legacy Land Conservation Commission, and serves as a person possessing scientific qualifications. For more than two decades, he managed national wildlife refuges, including the Hawaiian and Pacific Islands National Wildlife Refuge Complex and the Midway Atoll National Wildlife Refuge, and spent seven years as Chief of Refuges for the United States Fish and Wildlife Service in Washington D.C. Dr. Shallenberger has travelled and worked across the Hawaiian island chain, and in more than twenty-five countries, in large part as a professional naturalist and nature tour guide. His expertise on conservation land acquisition and management, combined with his expertise in Hawaiian ornithology, will continue to be a valuable asset to the Legacy Land Conservation Commission.

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, 3 (Bunda, Fukunaga, Takamine).

**SCRep. 2671 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 232**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 232 JOHN S. K. HOAG ESQ., for a term to expire 6-30-2013

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds John S. K. Hoag Esq. to have the necessary qualifications to be nominated to the Island Burial Council for the Island of Oahu.

Testimony in support of the nomination of Mr. Hoag was submitted by one state agency and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Hoag presently serves as an interim member of the Island Burial Council for the island of Oahu, and represents developer and large property owner interests. He received his Bachelor's degree in Philosophy and Spanish Translation from Brigham Young University and his Juris Doctor from the University of Hawaii William S. Richardson School of Law. Mr. Hoag is presently employed as the Director of Administration and Assistant to the President at Hawaii Reserves, Inc., a land management company on the windward side of Oahu.

Mr. Hoag is actively involved with the community, he is a member of Brigham Young University – Hawaii Institutional Review Board and has served as a member of the Catholic Church's Hawaii Lay Compensation Committee and Director of the Koolauloa Educational Alliance Corporation. He understands that members of the Island Burial Council must balance the interests of proper respect and care for the iwi with modern activities. Mr. Hoag brings professional legal insight and understanding to the Council's 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, 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 (Bunda, Hemmings, Tokuda).

**SCRep. 2672 Human Services on Gov. Msg. No. 265**

Recommending that the Senate advise and consent to the nomination of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 265 JO ANN D. KOGA, for a term to expire 6-30-2013

Your Committee received testimony in support of Jo Ann Koga from the Department of Human Services, the Statewide Independent Living Council of Hawaii, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Jo Ann D. Koga received a Bachelor of Science degree in Biology with a cellular and molecular emphasis in 1980 from the University of Washington where she graduated Cum Laude. Ms. Koga went on to complete graduate level coursework in business



administration at the University of Hawaii at Manoa, and obtained an Associate in Science specializing in Information Technology in 2004 from Kapiolani Community College. Currently, Ms. Koga is working towards obtaining a Master's in Education for Rehabilitation Counseling from the University of Hawaii at Manoa.

Ms. Koga currently works at the University of Hawaii ITS Distributed Learning and User Services where she is a data processing assistant, and also at the Pacific Basin Rehabilitation Research and Training Center where she provides emotional and social support to women with disabilities.

Testimony in support of Ms. Koga indicates that she has many years of experience within the disability movement and her life experiences, dependability and perspective regarding independent living for people with disabilities will benefit the Statewide Independent Living Council. Ms. Koga also has many good references and would be a good resource for the Council.

Your Committee finds that, based on the testimony submitted on her behalf and her experience and personal knowledge in the disability field, Jo Ann Koga has the knowledge, experience and other competencies to be a member of the Statewide Council in Independent Living.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, 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 (Hemmings).

**SCRep. 2673 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. Nos. 271 and 272**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF AGRICULTURE

G.M. No. 271 RICHARD HA, for a term to expire 6-30-2010; and

G.M. No. 272 RICHARD HA, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Richard Ha to have the necessary qualifications for the Board of Agriculture.

Testimony in support of the nomination of Richard Ha was submitted by one state agency, eight organizations, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Ha presently serves as an interim member of the Board of Agriculture, and represents the county of Hawaii. He received his Bachelor's degree in accounting from the University of Hawaii at Manoa. Mr. Ha is the President and Founder of Hamakua Springs Country Farm, which is a 600 acre diversified agriculture operation with 200 acres dedicated to bananas and approximately 20 acres devoted to hydroponic vegetable production. His banana farm was the first in the world to be certified Eco-OK for sustainable banana farming operations by the Rainforest Alliance. He was the 2006 Farmer of the Year for the State of Hawaii, and received a 2008 Hall of Honor Award from the University of Hawaii, College of Business.

Mr. Ha believes in sustainable farming which takes into account the long-term well-being of the employees, the community, and the environment. He is developing a hydro-electric project on his farm to reduce his dependence on oil. Mr. Ha wants to serve on the Board of Agriculture to improve Hawaii's food security, which requires support for all farmers, large and small, organic and conventional, on all islands, and at all elevations. He believes reliance on a few large farms is not sufficient for food security. His experiences with the decision to site the Thirty Meter Telescope on Mauna Kea taught him two important lessons that continue to strongly influence his public service, one is that the process of open dialogue is critical to the success of any project, and secondly that the needs of the entire community must be considered. He can communicate with all kinds of people, and knows how to successfully set long-term goals and stay focused on those goals. Your Committee wants Mr. Ha to continue to bring his pioneering spirit and wisdom to 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 nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Fukunaga, Takamine).

**SCRep. 2674 Human Services on Gov. Msg. No. 288**

Recommending that the Senate advise and consent to the nomination of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS (PABEA)

G.M. No. 288 MICHAEL BARRY SUMJA, for a term to expire 6-30-2014

Your Committee received testimony in support of Michael Barry Sumja from the State of Hawaii Executive Office on Aging, the Association for the Advancement of Retired Persons, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Michael Barry Sumja earned a Bachelor of Science degree from Jackson State University in Memphis, Tennessee. From 1969 to 1990, Mr. Sumja was the Chief Executive Officer of Lee, Jackson and Bowe Corporation placing attorneys and accountants with major firms. From 1991-1999 he was a resident manager and Innkeeper at Glendeven Inn in California and also worked as a training



supervisor for the California Department of Parks and Recreation. Since moving to Kohala in 2000, Mr. Sumja has worked as a property manager, a community facilitator for Hawaii County Research and Development, and a countywide liaison for the Hawaii County Office on Aging.

Mr. Sumja has been awarded the Shining Light Award for Contributions to Kupuna from the Hawaii Alliance for Retired Americans, the Certificate of Appreciation for Service during time of conflict from Disabled American Veterans, and the Outstanding Older American Award from Hawaii County. Mr. Sumja is also an ordained minister in the Universal Life Church.

Testimony in support of Mr. Sumja indicates that he brings valuable insights on aging issues, has shown a sincere regard for the needs of the elderly, and has been a strong advocate for improving the quality of life of Hawaii's seniors. As a current member of the Policy Advisory Board for Elder Affairs, Mr. Sumja demonstrates his leadership abilities and commitment to our kupuna, and is both liked and respected by his colleagues.

Your Committee finds that, based on the testimony submitted on his behalf and his knowledge and experience dealing with many aspects of senior citizens, Michael Barry Sumja has the experience, knowledge and other competencies to be a member of the Policy Advisory Board for Elder Affairs.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, 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 (Hemmings).

**SCRep. 2675 Human Services on S.C.R. No. 79**

The purpose of this measure is to urge the Department of Human Services to provide its case workers with information and training so they will better understand the issues faced by grandparents who are raising grandchildren that are in the custody of Child Protective Services of the Department of Human Services.

Testimony in support of this measure was submitted by Hawaii Family Forum. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is an increasing number of grandparents raising their grandchildren due to various crises in the children's home, and that grandparents are generally unaware of how the system addressing these crises works. These grandparents often do not ask for help for fear of their grandchildren being taken away. These grandparents are also unaware of resources in place specifically to help them. Your Committee also finds that case workers employed by the Department of Human Services and Child Protective Services have little or no information on how these grandparents feel nor what they need during the process. This measure will benefit all parties involved by ensuring that case workers know what to expect and how to appropriately deal with grandparents that are raising their grandchildren due to family crisis.

Your Committee has made technical, nonsubstantive stylistic changes to the measure for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 79, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 79, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2676 Human Services on S.R. No. 34**

The purpose of this measure is to urge the Department of Human Services to provide its case workers with information and training so they will better understand the issues faced by grandparents who are raising grandchildren that are in the custody of Child Protective Services of the Department of Human Services.

Testimony in support of this measure was submitted by Hawaii Family Forum. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is an increasing number of grandparents raising their grandchildren due to various crises in the children's home, and that grandparents are generally unaware of how the system addressing these crises works. These grandparents often do not ask for help for fear of their grandchildren being taken away. These grandparents are also unaware of resources in place specifically to help them. Your Committee also finds that case workers employed by the Department of Human Services and Child Protective Services have little or no information on how these grandparents feel nor what they need during the process. This measure will benefit all parties involved by ensuring that case workers know what to expect and how to appropriately deal with grandparents that are raising their grandchildren due to family crisis.

Your Committee has made technical, nonsubstantive stylistic changes to the measure for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 34, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 34, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2677 Energy and Environment on H.B. No. 2197**

The purpose of this measure is to provide the board of directors of a condominium unit owners association with the authority to install or allow the installation of solar energy or wind energy devices on the common elements of the condominium.

Testimony in support of this measure was submitted by four organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure capitalizes on an opportunity to further reduce the State's dependence on fossil fuels by facilitating the installation of renewable energy devices in certain areas of condominiums. Your Committee further finds that this measure provides a benefit not only to the State but also to condominium owners who have the potential to reduce their energy costs and to lease or license common elements for the installation of those renewable energy devices.

Your Committee has amended this measure by making 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2197, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2197, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Green). Noes, none. Excused, 3 (Hemmings, Ihara, Kokubun).

**SCRep. 2678 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment on H.B. No. 979**

The purpose of this measure is to use certain special funds to support invasive species control and mitigation and to promote reforestation and sediment run-off mitigation.

Testimony in support of the intent of this measure was submitted by one state agency. Two organizations submitted comments, and one state agency submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the State is at a critical juncture for invasive species control. Invasive species do not stop spreading because the State is in an economic recession, and the coqui frog outbreak in Waimanalo is a prime example. Creative solutions are needed to fund the State's dire need for harmful invasive species control and mitigation which includes a careful examination of available resources. Although your Committees recognize the concerns raised, more favorable solutions have not been offered. This is one method of providing the needed funding for the control of harmful invasive species.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2050 to facilitate further discussion; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity.

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 H.B. No. 979, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 979, 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, 5 (Bunda, Hemmings, Hooser, Ihara, Tokuda).

**SCRep. 2679 Transportation, International and Intergovernmental Affairs on Gov. Msg. Nos. 269 and 270**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 269 RALPH J.W.K. HIATT, for a term to expire 6-30-2010; and

G.M. No. 270 RALPH J.W.K. HIATT, for a term to expire 6-30-2014

Your Committee received testimony in support of Ralph J.W.K. Hiatt from the Department of Transportation; Military Officers Association of America, Hawaii Chapter; Hawaii Wing Civil Air Patrol, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ralph J.W.K. Hiatt received a Bachelor of Arts degree from the University of Hawaii and graduated from the United States Army Command and General Staff College. He is a retired United States Army colonel. Colonel Hiatt was the Director of the Pacific Aerospace Training Center from 2000 to 2009 at the Honolulu Community College.

Your Committee notes favorably from the written statement of the nominee in response to the Committee's written questions: "Commerce serviced by state transportation modes is the lifeblood of Hawai'i. A commissioner must be attentive and address the future multi-modal transportation needs of the state while advocating consumer safety and satisfaction, preserving the current infrastructure and remaining cognizant of Hawai'i's environment considerations on all plans and projects. With ambitious statewide modernization plans, a commissioner is expected to assist the DOT to ensure effective synchronization of airport, harbor, highway and, for Oahu rail plans, to gain consumer support and diminish congestion."

As affirmed by the records of votes of the members of your Committee on Transportation, International and Intergovernmental 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 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 (Gabbard).

**SCRep. 2680 Health on S.C.R. No. 98**

The purpose of this measure is to request the Department of Health to study the feasibility of establishing an ambulance dispatch center on the west side of Kauai, based in Kalaheo.

Your Committee received testimony in support of this measure from one individual. Testimony in opposition to this measure was submitted to your Committee by the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that timely emergency medical services are crucial to saving lives during medical emergencies. Your Committee further finds that while Kauai has a back-up coverage plan that coordinates ambulance units during times of heavy use, as the population on Kauai continues to grow this back-up plan may no longer be adequate and must be reassessed.

Your Committee has amended this measure by:

- (1) Requesting the Department of Health to study the feasibility of establishing a new ambulance unit based in Kalaheo rather than an ambulance dispatch center;
- (2) Expanding the feasibility study to request consideration of a variety of methods of ensuring adequate emergency medical transportation services on the island of Kauai; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2681 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.B. No. 2427**

The purpose of this measure is to change the interval between revisions of county solid waste management plans from five years to ten years.

Testimony in support of this measure was submitted by one state agency and two county agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Presently, the counties are required to submit revised solid waste management plans every five years. The revision process requires the hiring of consultants to conduct the planning process and draft the plan document, with consultant contracts costing hundreds of thousands of dollars. Due to the complexity and political implications of waste management systems, the formulation and evaluation of a revised plan can take one to two years to complete. Revised plans often include significant capital improvement projects which can take years of planning before implementation. In order to begin this entire process, the county needs at least one year of data as the basis for predicting and analyzing solid waste trends. Thus, the counties are continuously updating their solid waste management plans throughout the five-year period. Your Committees find that this measure can assist the counties by reducing costs relating to waste management and providing the counties with more data on solid waste trends in order to better predict future needs.

Your Committees have amended this measure by:

- (1) Adopting the recommendation of the Department of Health to require interim status reports on plan implementation five years after the submission of a revised Integrated Solid Waste Management plan; and
- (2) Making technical, nonsubstantive changes for the purpose of style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2427, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2427, 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, 5 (Espero, Hemmings, Ihara, Kokubun, Slom).

**SCRep. 2682 Public Safety and Military Affairs on Gov. Msg. No. 224**

Recommending that the Senate advise and consent to the nomination of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 224 THOMAS T. WATTS, for a term to expire 6-30-2014

Your Committee received testimony in support of Thomas T. Watts from the Crime Victim Compensation Commission and the Honolulu Prosecuting Attorney. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Thomas T. Watts is a practicing attorney in Honolulu. He graduated from Cornell University with a Bachelor of Arts degree and the University of Michigan Law School with a Juris Doctor degree. The nominee is being reappointed.

Your Committee notes favorably from the nominee's personal statement: "In my view, the most important function of the Commissioners is to set policies and develop both rules of procedure and rules of compensation." He states that he is analytical, persistent, and compassionate, which is valuable to the Commission and to victims. Your Committee is particularly intrigued by Mr. Watts' plan to obtain funding for the Crime Victim Compensation Commission by instigating subrogation lawsuits against the perpetrators of crime to reimburse the Commission for awards to victims. He mentions the possibility of pro bono work through the William S. Richardson School of Law and the Hawaii State Bar Association.

As affirmed by the records of votes of the members of your Committee on Public Safety and Military 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, 3 (Bunda, English, Hemmings).

**SCRep. 2683 Public Safety and Military Affairs on Gov. Msg. Nos. 299, 300, and 301**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL FOR INTERSTATE ADULT OFFENDER SUPERVISION

G.M. No. 299 DENNIS M. DUNN, for a term to expire 6-30-2010;

G.M. No. 300 DENNIS M. DUNN, for a term to expire 6-30-2014; and

G.M. No. 301 JANICE YAMADA, for a term to expire 6-30-2013

Your Committee received testimony in support of Dennis M. Dunn from the Judiciary and Hawaii Paroling Authority. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dennis M. Dunn is being appointed to a term to expire on June 30, 2010, and to another sequential term to expire June 30, 2014. Mr. Dunn received a Bachelor of Science degree in Human Development from the University of Hawaii at Manoa. He is a lecturer on crime victim and other criminal justice issues. Mr. Dunn has been employed since 1985 with the Honolulu Prosecuting Attorney as the Director of the Victim Witness Assistance Division. Your Committee notes that the nominee served on the Domestic Violence Task Force (Oahu) from 1993 to 2004, and the Domestic Violence Working Group from 1999 to 2004. Mr. Dunn also served on the Hawaii Coalition Against Sexual Assault from 2003 to 2007.

Your Committee notes favorably from Mr. Dunn's answer to written questions from the Committee: "My role will be to work cooperatively with other Council members to develop policies governing offenders transferred to and from Hawaii that will most effectively provide for public safety while insuring that meaningful supervision also can benefit offenders. Furthermore I am basically a compassionate person who can appreciate the rights and needs of all players in the criminal justice process. I am as concerned about the rights of the accused as I am about the rights of victims. ... I am collaborative. I work well with others and am always willing to listen to their views. I am patient. I believe that true, meaningful, and lasting change requires long term persistent effort."

Your Committee received testimony in support of Janice Yamada from the Judiciary and the Hawaii Paroling Authority. The nominee received a Master's degree in Social Work and a Bachelor's degree in Psychology from the University of Hawaii at Manoa. Ms. Yamada is currently with the Judiciary as the Adult Client Services Branch Probation Administrator. She has served as a member of the State Council for Interstate Adult Supervision since January 1, 2007. Your Committee notes favorably from the nominee's personal statement that she has worked in the field of corrections for the past thirty years and has benefited from her exposure to local and national probation issues. She describes her best qualities as having integrity and perseverance, and being able to communicate well with others.

As affirmed by the records of votes of the members of your Committee on Public Safety 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, 4. Noes, none. Excused, 3 (Bunda, English, Hemmings).

**SCRep. 2684 Public Safety and Military Affairs on Gov. Msg. No. 302**

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 302 HERBERT C. LUM, for a term to expire 6-30-2014

Your Committee received testimony in support of Herbert C. Lum from the Office of Veterans Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Herbert C. Lum received a Bachelor of Science in Accounting from the University of Southern California, and a Master of Arts in Business Management from Central Michigan University. The nominee is being reappointed to represent West Hawaii on the Advisory Board of Veterans' Services. Mr. Lum is a Korean War veteran who served as a combat intelligence soldier with the 7th Marine Regiment, 1st Marine Division, United States Marine Corps. As a retiree, Mr. Lum is involved with the Veterans League of Hawaii Island. He is also a member of the Disabled American Veterans, the Korean War Veterans Association, and the Chosin Few Aloha Chapter.

As affirmed by the record of votes of the members of your Committee on Public Safety 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, 4. Noes, none. Excused, 3 (Bunda, English, Hemmings).

**SCRep. 2685 Public Safety and Military Affairs on Gov. Msg. Nos. 303 and 304**

Recommending that the Senate advise and consent to the nominations of the following:

WIRELESS ENHANCED 911 BOARD

G.M. No. 303 JAMES D. LACLAIR, for a term to expire 6-30-2012; and

G.M. No. 304 GOLDIE K. CROSS, for a term to expire 6-30-2014

Your Committee received testimony in support of James D. LaClair from the Department of Accounting and General Services, Honolulu Department of Information Technology, Hawaii Police Department, Maui Police Department, and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

James D. LaClair is being reappointed to the Wireless Enhanced 911 Board to represent the Wireless Provider. Mr. LaClair has been the Vice President for Network Operations for Hawaiian Telcom since 2004. He has thirty years of experience in telecommunications including voice and data networking and wireless operations and management, including sixteen years operating 911 networks in Hawaii. In addition, Mr. LaClair has five years of experience operating E911 networks in Oregon and Washington. Your Committee notes favorably from the nominee's written answer to the Committee's written questions: "I perceive the role of the Wireless Enhanced 911 Board to be one that provides direction and guidance to the various entities responsible for maintaining, using, and improving Wireless Enhanced 911 with the ongoing goal to improve public safety."

Your Committee received testimony in support of Goldie K. Cross from the Department of Accounting and General Services, Hawaii Police Department, Maui Police Department, and five individuals.

Goldie K. Cross is being reappointed to the Wireless Enhanced 911 Board to represent the Wireless Provider. She has been the 911 Sustainment & Network Sales Support Manager for AT&T Mobility since June of 2005. Your Committee notes favorably from the nominee's written answer to the Committee's written question:

"I perceive my role and responsibilities as a member of the Wireless Enhanced 911 Board to act as a technical subject matter expert concerning the technologies needed to ensure a reliable, state of the art 911 system for public safety as well as a good steward of the funds collected by the Wireless 911 surcharge to ensure that the money is being spent in the best interest of the public, Public Safety Answering Points (PSAP), and the wireless carriers."

As affirmed by the records of votes of the members of your Committee on Public Safety 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, 4. Noes, none. Excused, 3 (Bunda, English, Hemmings).

**SCRep. 2686 Commerce and Consumer Protection on Gov. Msg. Nos. 183, 184, and 251**

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. 183 NORMAN G.Y. HONG, for a term to expire 6-30-2014;

G.M. No. 184 HOWARD K.C. LAU, for a term to expire 6-30-2014; and

G.M. No. 251 CLAYTON CHUN YEE PANG, for a term to expire 6-30-2013

Your Committee received testimony in support of the nomination of Norman G.Y. Hong from the Department of Commerce and Consumer Affairs. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's experience in the profession of architecture, commitment to public service, and proven leadership on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects qualify him for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects. Your Committee notes that Norman G.Y. Hong has been a licensed architect since 1975 and is a specialist in resort timeshare projects, both in Hawaii and numerous international locations. In addition, he has served as the Board's delegate to regional and national meetings of the National Council of Architectural Registration Boards. Your Committee further finds that this nominee has been reappointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Howard K.C. Lau from the Department of Commerce and Consumer Affairs; Hiroshi Tsuzaki, CPA, Inc.; and Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's experience in the profession of engineering, commitment to public service, and proven leadership on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects qualify him for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects. Your Committee



notes that Howard K.C. Lau has been a licensed engineer since 1978 and has thirty-five years experience as a civil engineer specializing in structural engineering. In addition, he has served as the Board's delegate to regional and national meetings of the National Council of Examiners for Engineering and Surveying. Your Committee further finds that this nominee has been reappointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Clayton Chun Yee Pang from the Department of Commerce and Consumer Affairs, the Representative from House District 46, and two private citizens. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's experience in the profession of engineering, commitment to public service, and proven leadership on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects qualify him for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects. Your Committee notes that Clayton Chun Yee Pang has been a licensed engineer since 1976 and has thirty-seven years experience as an electrical engineer. As the result of the depth and breadth of his professional experience, he currently reviews electrical engineering applications for the Board. Your Committee further finds that this nominee has been reappointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects after serving as an interim appointee, based on his knowledge, experience, and commitment to public service.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ihara).

**SCRep. 2687 Commerce and Consumer Protection on Gov. Msg. Nos. 191 and 254**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PSYCHOLOGY

G.M. No. 191 FRANCES PAULETTE HACKBARTH, for a term to expire 6-30-2014; and

G.M. No. 254 SCOTT S. HASHIMOTO, for a term to expire 6-30-2013

Your Committee received testimony in support of the nomination of Frances Paulette Hackbarth from the Department of Commerce and Consumer Affairs. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Board of Psychology qualify her for reappointment as a public member to the Board of Psychology. Your Committee notes that Frances Paulette Hackbarth is a retired computer specialist with thirty-four years experience and has been an active volunteer in numerous community organizations since her retirement in 2001. This extensive volunteer service has enabled her to understand quickly the purpose of the Board and her role as a public member. Your Committee further finds that this nominee has been reappointed to the Board of Psychology based on her knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Scott S. Hashimoto from the Department of Commerce and Consumer Affairs and one private citizen. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Board of Psychology qualify him for reappointment to the Board of Psychology. Your Committee notes that Scott S. Hashimoto has been a licensed psychologist since 2001, and in addition to his work as a clinical psychologist, he was for many years an attorney in private practice. His experiences as psychologist, attorney, and professional mediator bring a breadth of invaluable expertise to the Board. Your Committee further finds that this nominee has been reappointed to the Board of Psychology after serving as an interim appointee, based on his knowledge, experience, and commitment to public service.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ihara).

**SCRep. 2688 Commerce and Consumer Protection on Gov. Msg. No. 194**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 194 JENNY C. WELLS, for a term to expire 6-30-2013

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs. A personal statement and curriculum vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Board of Speech Pathology and Audiology qualify her for reappointment as a public member to the Board of Speech Pathology and Audiology. Your Committee notes that as a result of her extensive teaching, research, and supervisory and administrative experience in various aspects of special education, the nominee currently serves as the Chairperson of the Board. This breadth of knowledge and her extensive professional presentation experience have proven invaluable in both the subject matter and administrative functions of the Board. Your Committee further finds that this nominee has been reappointed to the Board of Speech Pathology and Audiology based on her knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Green, Hemmings, Ihara).

**SCRep. 2689 Commerce and Consumer Protection on Gov. Msg. No. 250**

Recommending that the Senate advise and consent to the nomination of the following:

CREDIT UNION ADVISORY BOARD

G.M. No. 250 GAY L. MATHEWS, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs and Hawaii Credit Union League. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Credit Union Advisory Board qualify her for reappointment to the Credit Union Advisory Board. Your Committee notes that the nominee has served as the President and Chief Executive Officer of the North Hawaii Community Credit Union for twenty-three years, and is an active participant in numerous Big Island community and civic activities. Your Committee further finds that this nominee has been reappointed to the Credit Union Advisory Board based on her knowledge, experience, and commitment to public service.

Your Committee understands that currently, there are only two State-chartered credit unions in the State, and the other ninety-plus are federally chartered. As a result, this is not an active Board, but it is important to retain qualified, experienced members in the event the Board should be required to make recommendations regarding State-chartered credit unions.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ihara, Sakamoto).

**SCRep. 2690 Commerce and Consumer Protection on Gov. Msg. Nos. 252 and 253**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 252 DARRYL D. PERRY, for a term to expire 6-30-2012; and

G.M. No. 253 GARY A. YABUTA, for a term to expire 6-30-2013

Your Committee received testimony in support of the nomination of Darryl D. Perry from the Department of Commerce and Consumer Affairs and the Mayor of the County of Kaua'i. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Board of Private Detectives and Guards qualify him for reappointment to the Board of Private Detectives and Guards. Your Committee notes that Darryl D. Perry is Chief of Police of the County of Kaua'i and has nearly forty years experience with the police departments in Honolulu and Kaua'i; expertise that has proven invaluable in issues before the Board. Your Committee further finds that this nominee has been reappointed to the Board of Private Detectives and Guards after serving as an interim appointee, based on his knowledge, experience, and commitment to public service.

Your Committee received testimony in support of the nomination of Gary A. Yabuta from the Department of Commerce and Consumer Affairs. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Board of Private Detectives and Guards qualify him for reappointment to the Board of Private Detectives and Guards. Your Committee notes that Gary A. Yabuta is Deputy Chief of Police with the Maui Police Department and has thirty years experience in law enforcement in a variety of administrative roles and leadership functions in Maui County and in California. Your Committee further finds that this nominee has been reappointed to the Board of Private Detectives and Guards after serving as an interim appointee, based on his knowledge, experience, and commitment to public service.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ihara, Sakamoto).

**SCRep. 2691 Commerce and Consumer Protection on Gov. Msg. No. 275**

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 275 ROY M. SASUGA, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs and four private citizens. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Motor Vehicle Industry Licensing Board qualify him for reappointment as a public member to the Motor Vehicle Industry Licensing Board. Your Committee notes that the nominee has over forty years experience in the insurance industry, including claims management, litigation management, and dispute resolution and special arbitration; all of which have contributed extensively to his work on the Board. Your Committee further finds that this nominee has been reappointed to the Motor Vehicle Industry Licensing Board after serving as an interim appointee, based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ihara, Sakamoto).

**SCRep. 2692 Commerce and Consumer Protection on Gov. Msg. No. 276**

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 276 DENNIS JOHN SHORT, for a term to expire 6-30-2013

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, Hawaii Automobile Dealers Association, and three private citizens. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Motor Vehicle Industry Licensing Board qualify him for reappointment as an industry member to the Motor Vehicle Industry Licensing Board. Your Committee notes that the nominee is President and General Manager of BMW of Honolulu, with over forty years experience in the automotive industry, a background which brings a breadth of knowledge to his work on the Board. Your Committee further finds that this nominee has been reappointed to the Motor Vehicle Industry Licensing Board after serving as an interim appointee, based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 (Hemmings, Ihara, Sakamoto).

**SCRep. 2693 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 6**

The purpose of this measure is to authorize the mutual cancellation of lease of non-exclusive easement S-5252 and the issuance of a term, non-exclusive easement covering a portion of state submerged lands situated at Lapaakea, Lahaina, Maui.

Testimony in support of this measure was submitted by one state agency and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Section 171-53, Hawaii Revised Statutes, requires prior approval of the Governor and prior authorization of the Legislature by concurrent resolution to lease state submerged lands. This measure will authorize the issuance of a sixty-five year, non-exclusive easement to Meri-Jo Abrams, trustee of the Lakala Trust, for a wooden deck and concrete piers. The State will receive a one-time payment based on fair market value, as determined by an independent real estate appraiser. Your Committee finds that the mutual cancellation of the existing lease and issuance of a sixty-five year easement is necessary for Lakala Trust to refinance a mortgage with the American Savings Bank. On August 28, 2009, the Board of Land and Natural Resources approved the mutual cancellation and issuance of the sixty-five year 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. 6 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2694 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.C.R. No. 73**

The purpose of this measure is to authorize the Board of Land and Natural Resources to enter into a development agreement for the development of general aviation lots at the Kona International Airport at Keahole on the island of Hawaii.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Section 171-60, Hawaii Revised Statutes, permits the Board of Land and Natural Resources, with the prior approval of the Governor and authorization by the Legislature, to lease public lands to a private developer, for the development and subdivision of lands as a leasehold project for industrial, commercial, or business purposes. The Department of Transportation supports the development of general aviation lots at the Kona International Airport at Keahole on the island of Hawaii, and seeking the Legislature's approval is the first step the Department has taken toward this goal. Your Committees find that a development agreement may provide a mechanism to develop the property in an expedited manner using private resources.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 73 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Hemmings, Kokubun, Nishihara, Takamine,).

**SCRep. 2695 (Joint) Public Safety and Military Affairs and Human Services on H.B. No. 2061**

The purpose of this measure is to require special family court procedures for child custody disputes involving servicemembers who are deployed.

Your Committees received testimony in support of this measure from one federal entity, two private organizations, one business association, and two individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the issues surrounding a military deployment or temporary duty, which separates a parent from his or her children, have a significant effect on the military readiness of the parent and on the well-being of the child. Hawaii currently has no laws regarding military deployment and custody, yet both custodial and non-custodial parent face difficulties when they deploy even to the extent of losing total contact with their children.

Your Committees further find that the best interests of the child should be of paramount concern in all proceedings affecting deployed military personnel and their children. Your Committees further believe that the fact of deployment should not in itself abrogate parental rights.

Your Committees have amended this measure by replacing its contents with provisions recommended by the Family Law Section of the Hawaii State Bar Association. Your Committees have not changed the delayed effective date in order to continue the discussions on this matter.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2061, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2061, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Bunda).

**SCRep. 2696 Transportation, International and Intergovernmental Affairs on H.B. No. 1190**

The purpose of this measure is to require county police departments to:

- (1) Identify roadways most critical to free movement of persons and commerce; and
- (2) Establish protocols necessary to coordinate major accident investigations, including notifying the medical examiner in fatal accident cases to investigate simultaneously with the police department.

Your Committee received testimony in support of this measure from three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The intent of this measure is to expedite investigations of fatal traffic accidents to get traffic moving again as quickly as possible, while preserving highway safety.

Your Committee has amended this measure by changing the effective date to upon approval, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1190, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1190, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 2697 Transportation, International and Intergovernmental Affairs on H.B. No. 134**

The purpose of this measure is to prohibit the Examiner of Drivers from issuing any license to any applicant who does not submit satisfactory proof that the applicant's presence in the United States is authorized by federal law.

This measure also:

- (1) Clarifies that if the licensee or instruction permittee is a legal immigrant, the license or permit shall expire no later than the licensee or permittee's authorized period of stay in the United States;
- (2) Requires the Director of Transportation to establish by rule a standard fee, to be deposited into the State Highway Fund, for all driver license applicants who require verification through the federal system that their presence in the United States is authorized by federal law; and
- (3) Requires the State to reimburse the counties for all costs of verification through the federal system in amounts to be determined by the Director of Transportation.

Your Committee received testimony in support of this measure from the Department of Transportation and the City and County of Honolulu. Testimony in opposition was received from the American Civil Liberties Union of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii is one of four states that have not enacted a law to require proof of legal presence in the United States as a prerequisite for obtaining a driver's license. Enactment of this measure is necessary for the federal government to recognize the Hawaii driver license as proof of identity for boarding aircraft and entering federal buildings.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon approval and adding a proviso to the effective date to clarify that the amendments made to section 286-106, Hawaii Revised Statutes, shall not be repealed when that section is reenacted on January 11, 2011, pursuant to Act 72, Session Laws of Hawaii 2005; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 134, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 134, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 2698 Commerce and Consumer Protection on H.B. No. 2028**

The purpose of this measure is to grant the Insurance Commissioner discretion to approve additional types of group life insurance policies for issuance in the State.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs and the American Council of Life Insurers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Insurance Commissioner to approve the issuance of group life and disability insurance policies to groups of persons who may not currently be able to obtain life or disability coverage. Your Committee therefore finds that this measure will increase the availability of life and disability insurance for Hawaii residents. Your Committee notes that, under this measure, the Insurance Commissioner retains discretion to approve or disapprove the issuance of policies and is directed to approve only policies that are consistent with the public interest, would result in economies of acquisition or administration, and are priced reasonably in relation to the benefits offered.

Your Committee has amended this measure by making nonsubstantive technical changes for the purposes of clarity, accuracy, and conformity with standard statutory drafting conventions.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2028, 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 (Hemmings, Ihara, Sakamoto).

**SCRep. 2699 Commerce and Consumer Protection on H.B. No. 2136**

The purpose of this measure is to permit a nonprofit corporation to make financial distributions to its members or affiliates in a manner that is consistent with the purpose of the nonprofit corporation.

Your Committee received testimony in support of this measure from the Department of the Attorney General, The Queen's Health System, and Hawai'i Pacific Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will clarify state law to allow Hawaii nonprofit corporations that exist in whole or part to fund the activities of other nonprofit corporations to perform their intended function. Your Committee notes that this measure is consistent with federal law governing nonprofit corporations and resolves an ambiguity that has heretofore existed between state and

federal law in this area. Your Committee further notes that the proponents of this measure have expressed their support for the amendments proposed by the Attorney General and adopted by your Committee.

Your Committee has amended this measure by:

- (1) Adding a definition of "affiliate" to section 414D-14, Hawaii Revised Statutes, for the purpose of maintaining consistent organization throughout the relevant chapter;
- (2) Adding a new section to correct a typographical error in section 414D-245, Hawaii Revised Statutes;
- (3) Substituting the term "public benefits corporation" for "nonprofit corporation" in order to limit the scope of the measure to only nonprofit corporations that are operated for charitable, educational, or religious purposes, in conformity with federal law; and
- (4) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2136, 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 (Hemmings, Ihara, Sakamoto).

**SCRep. 2700 Commerce and Consumer Protection on H.B. No. 2546**

The purpose of this measure is to establish time limits for the restoration of forfeited chiropractor and real estate broker licenses.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, the Hawaii Real Estate Commission, the Board of Chiropractic Examiners, and the Hawai'i Association of Realtors. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that current law does not include limits on the restoration periods for forfeited chiropractor and real estate broker licenses. Your Committee finds that limiting restoration periods for chiropractors and real estate brokers brings these professions into accord with the standards that are imposed on other professional licensees and serves the interest of consumer protection. Since the fields of both chiropractic medicine and real estate are subject to rapid changes from emerging technologies and methods and evolving regulatory standards, allowing for restoration beyond defined time limits may allow for the continued licensing of less-than-competent and able practitioners. Your Committee finds that requiring holders of a forfeited license to reapply as a new licensee will ensure that all licensees meet current standards of competency.

Your Committee has amended this measure by making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2546, 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 (Hemmings, Ihara, Sakamoto).

**SCRep. 2701 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. Nos. 306, 308, 309, and 310**

Recommending that the Senate advise and consent to the nominations of the following:

KAHANA VALLEY LIVING PARK PLANNING COUNCIL

- G.M. No. 306 MAY LEILANI AU, for a term to expire 6-30-2013;
- G.M. No. 308 RICHARD K. PAGLINAWAN, for a term to expire 6-30-2012;
- G.M. No. 309 BENJAMIN DANIEL SHAFER, for a term to expire 6-30-2011; and
- G.M. No. 310 LAUREN A. TANAKA, for a term to expire 6-30-2013

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds May Leinani Au, Richard K. Paglinawan, Benjamin Daniel Shafer, and Lauren A. Tanaka to have the necessary qualifications to be nominated to the Kahana Valley Living Park Planning Council.

Testimony in support of the nomination of Ms. Au was submitted by one state agency.

Ms. Au is retired after forty years as Postmaster of the Hauula, Kaneohe, and Kailua United States Postal Service stations. She is a Director of the Koolaupoko Hawaiian Civic Club, a member of the Koolauloa Hawaiian Civic Club, and a Kupuna Council member of the Koolauloa Community Health and Wellness Center. Ms. Au is the Treasurer of the Kahana Community Association, and is the volunteer organizer of the opening of the Kahana store. She is actively involved with the cultural programs provided for visitors, school groups, and other organizations who visit Kahana Valley.

Ms. Au presently resides in Kahana Valley, and will serve as a representative of families who reside in Kahana Valley. She and her husband raised seven children in Kahana Valley in the 1960s. Ms. Au has a vested interest in the success of Kahana Valley as a cultural living park. She will provide wise guidance in the development of a master plan for Kahana Valley that integrates the cultural heritage of the residents and the State's mandate to preserve the natural condition of the Valley while retaining its historic value for the enjoyment of the public.



Testimony in support of the nomination of Mr. Paglinawan was submitted by one state agency.

Mr. Paglinawan received his Bachelor's degree and Master's degree from the University of Hawaii in social work. He served as the Deputy Director of the Department of Hawaiian Home Lands and the Department of Social Services and Housing, and Administrator for the Hawaii Housing Authority and the Office of Hawaiian Affairs. Mr. Paglinawan has served on the Hawaii Historic Places Review Board, the Kaliuwaa Citizens Advisory Committee, the Bishop Museum Board of Directors, and is an active member of Malama Ohana.

Mr. Paglinawan will serve as a representative of the public. He has hiked Kahana Valley from the summit to the ocean and knows the legends, history, and archaeological site restoration efforts including Huilua fishpond. Mr. Paglinawan is knowledgeable about Hawaiian culture and practices, and has demonstrated experience working with government and volunteer community groups. He understands that a strong partnership between the State and Kahana Valley residents will preserve and perpetuate the cultural, traditional, and spiritual significance of the ahupuaa and its people.

Testimony in support of the nomination of Mr. Shafer was submitted by one state agency.

Mr. Shafer received his Bachelor's degree from Brigham Young University – Hawaii in political science and government history. He is presently employed as a Technician with the Local 665 International Alliance of Theatrical Stage Employees. Mr. Shafer served with the United States Air Force and received the Commendation Medal. He is the President of the Friends of Kahana and a founding member of the Kahana Community Association.

Mr. Shafer will serve as a representative of families who reside in Kahana Valley. He has extensive experience with the planning for Kahana Valley, having served on the Kahana Advisory Council I to develop the Kahana Development Plan, Hui O Malama O Kahana, and the Kahana Advisory Council II to develop a report on interpretive programs, goals, and resources. Mr. Shafer's extensive experience with planning lends to his ability to move meetings forward and follow agendas. He is committed to producing a master plan in the prescribed time period. Mr. Shafer is also supportive of the goal of providing interpretive programs that rely on the talents of the residents of Kahana Valley for the cultural enrichment of visitors to the park.

Testimony in support of the nomination of Ms. Tanaka was submitted by one state agency.

Ms. Tanaka received her Bachelor's degree in Hawaiian Studies and her Master's degree in Political Science from the University of Hawaii. She has more than twenty years experience as a Planner for the State, and is presently employed by the Planning Branch of the Division of State Parks. One of her primary responsibilities with the Division is the development of statewide park master plans, for which she has worked with community groups such as the Kaluanui Advisory Group, the South Kona - Kau Coastal Conservation Task Force, and the Kokee State Park Advisory Council.

Ms. Tanaka will represent the Department of Land and Natural Resources. She appreciates working with people with diverse interests and is dedicated to finding mutually beneficial resolutions. She was chosen by the Department to represent it because of her objectivity and impartiality regarding Kahana Valley.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

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, 3 (Bunda, Fukunaga, Takamine).

**SCRep. 2702 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 313**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANAI

G.M. No. 313 WILSON N.K. KANAKAOLE, for a term to expire 6-30-2013

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Wilson N.K. Kanakaole to have the necessary qualifications for the Island Burial Council for the Islands of Maui and Lanai.

Testimony in support of the nomination of Wilson N.K. Kanakaole was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Kanakaole will represent the geographic region of Hana, Maui on the Island Burial Council. He is a musician and entertainer with more than twenty years experience working in hotels and other venues on Maui. This experience has enabled Mr. Kanakaole to meet people from all over the world, and taught him to communicate and work with other people. He hopes to bring his skills in communication to the Island Burial Council to strengthen communications with the community. Mr. Kanakaole is active with Hawaiian community-based organizations, and volunteers with the clean-up of Kahoolawe island. His personal experiences in working with the Historic Preservation Division to protect his family's burial site in Kaeleku, Maui will inform his approach in setting effective guidelines and recommendations to state and county departments.

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, 3 (Bunda, Fukunaga, Takamine).

**SCRep. 2703 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 50**

The purpose of this measure is to approve the fee simple sale of 91-1139 Kahaaha Loop in Kapolei, Oahu.

Testimony in support of the measure was submitted by one state agency. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation (Corporation) was established to develop and finance low- and moderate-income housing projects and administer homeownership programs. To ensure a balance between the needs of the resident-purchaser and the State, a shared appreciation requirement is imposed on all sales to qualified residents. If a homeowner refinances their mortgage or sells the property, the State gets fifty per cent of any appreciation of the property. Additional requirements are imposed, including if the resident wishes to transfer title within ten years of purchase, then the Corporation has the first option to purchase. Thus, in selling single family residences in fee simple to qualified residents, the State benefits not only from the social benefits linked to home ownership, including increased education for children, lower teen pregnancy rates, and higher lifetime annual income for children, but also from purchase price and the shared appreciation.

The property subject to this measure was purchased by the Corporation at foreclosure, in accordance with the Corporation's first option to purchase. The resale of this property will enable the Corporation to recoup the State's subsidy that made the home affordable to the original purchaser, and provide another qualified resident with the opportunity for home ownership. Your Committee finds that approving the sale of this home will also relieve the Corporation of the cost of maintenance and liability for the property.

Your Committee has amended this measure by:

- (1) Clarifying that there are no further development plans for the property;
- (2) Inserting the name of the appraiser;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (4) Correcting the appraisal value of the property from \$231,000 to \$230,000; and
- (5) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 50, 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. 50, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2704 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 51**

The purpose of this measure is to approve the fee simple sale of 91-1072 Welowelo Street in Kapolei, Oahu.

Testimony in support of the measure was submitted by one state agency. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation (Corporation) was established to develop and finance low- and moderate-income housing projects and administer homeownership programs. To ensure a balance between the needs of the resident-purchaser and the State, a shared appreciation requirement is imposed on all sales to qualified residents. If a homeowner refinances their mortgage or sells the property, the State gets fifty per cent of any appreciation of the property. Additional requirements are imposed, including if the resident wishes to transfer title within ten years of purchase, then the Corporation has the first option to purchase. Thus, in selling single family residences in fee simple to qualified residents, the State benefits not only from the social benefits linked to home ownership, including increased education for children, lower teen pregnancy rates, and higher lifetime annual income for children, but also from purchase price and the shared appreciation.

The property subject to this measure was purchased by the Corporation at foreclosure, in accordance with the Corporation's first option to purchase. The resale of this property will enable the Corporation to recoup the State's subsidy that made the home affordable to the original purchaser, and provide another qualified resident with the opportunity for home ownership. Your Committee finds that approving the sale of this home will also relieve the Corporation of the cost of maintenance and liability for the property.

Your Committee has amended this measure by:

- (1) Clarifying that there are no further development plans for the property;
- (2) Inserting the name of the appraiser;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 51, 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. 51, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2705 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 69**

The purpose of this measure is to authorize the sale of state reclaimed land at Kaalaea, Koolaupoko, Oahu for private property purposes.

Testimony in support of the measure was submitted by one state agency and two individuals. Testimony in opposition was submitted by one House Representative. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the parcel of land subject to this measure is 156 square feet of reclaimed land that is included in the fully fenced property of Joseph and Stephanie Phillips and is abutted by a seawall built in the 1950s. During the Kaneohe Bay Piers Amnesty Program in 2001, the Phillips obtained a pier lease from the Department of Land and Natural Resources and a field survey discovered 156 square feet of state reclaimed lands abutting the Phillips private property. The Phillips entered into a fifty-five year easement for the 156 square foot parcel. As part of the easement agreement, the Phillips are required to maintain commercial insurance on the parcel. In 2007, the Phillips requested to purchase the parcel in fee simple and the Board of Land and Natural Resources approved the sale. The appraised value of the parcel is \$11,550. The Phillips estimate that the cost of the insurance far exceeds the appraised value of the parcel, and would like to pass the property on to later generations with fewer encumbrances.

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. 69 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2706 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 77**

The purpose of this measure is to request the Auditor to conduct a follow-up audit of the management of state boating facilities by the Division of Boating and Ocean Resources of the Department of Land and Natural Resources.

Testimony in support of this measure was submitted by one private organization and four individuals. Testimony in opposition of this measure was submitted by one state agency and one individual. Comments on this measure were submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is imperative to protect the financial resources that are available to maintain and repair the harbor and boating facilities throughout the State. Your Committee also finds that requesting the Auditor to conduct a follow-up audit to previous audits completed in 2001 and 2006 relating to state boating facilities and the Division of Boating and Ocean Resources respectively, will enable the Department of Land and Natural Resources to assess its internal division needs more accurately and assist the Department in achieving its mission and objectives more effectively.

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. 77 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2707 Water, Land, Agriculture, and Hawaiian Affairs on S.R. No. 33**

The purpose of this measure is to request the Auditor to conduct a follow-up audit of the management of state boating facilities by the Division of Boating and Ocean Resources of the Department of Land and Natural Resources.

Testimony in support of this measure was submitted by one private organization and four individuals. Testimony in opposition of this measure was submitted by one state agency and one individual. Comments on this measure were submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is imperative to protect the financial resources that are available to maintain and repair the harbor and boating facilities throughout the State. Your Committee also finds that requesting the Auditor to conduct a follow-up audit to previous audits completed in 2001 and 2006 relating to state boating facilities and the Division of Boating and Ocean Resources respectively, will enable the Department of Land and Natural Resources to assess its internal division needs more accurately and assist the Department in achieving its mission and objectives more effectively.

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. 33 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2708 (Majority) Public Safety and Military Affairs on S.C.R. No. 88**

The purpose of this measure is to express support for repeal of the "Don't ask, don't tell" policy of the United States Armed Services, and of the federal law upon which it is based.

Your Committee received testimony in support of this measure from one private entity and three individuals. Testimony in opposition was received from one military association and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that “Don’t ask, don’t tell” is the denomination of the policy of the United States Armed Services to stop gay, lesbian, and bisexual individuals from serving in the military. President Barack Obama, United States Secretary of Defense Robert Gates, and Chairman of the Joint Chiefs of Staff Admiral Mike Mullen have expressed their preference for ending the ban on homosexual individuals serving in the United States Armed Services. It has been reported that since going into effect in 1993, “Don’t ask, don’t tell” has resulted in the discharge of more than 13,500 service members for being gay, and at the present time when the military is desperately short of foreign-language expertise, it has fired over sixty-five gay Arabic and Farsi linguists.

Your Committee further finds that allowing homosexuals to serve in the military would significantly augment the nation’s military capabilities. Homophobia has no place in a modern, enlightened society, and the military is no exception.

Your Committee has amended this measure to include transmission of certified copies of this measure to Hawaii’s congressional delegation.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 88, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 88, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 2 (Gabbard, Hemmings). Excused, 2 (Bunda, Galuteria).

**SCRep. 2709 (Majority) Public Safety and Military Affairs on S.R. No. 36**

The purpose of this measure is to express support for repeal of the “Don’t ask, don’t tell” policy of the United States Armed Services, and of the federal law upon which it is based.

Your Committee received testimony in support of this measure from one private entity and three individuals. Testimony in opposition was received from one military association and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that “Don’t ask, don’t tell” is the denomination of the policy of the United States Armed Services to stop gay, lesbian, and bisexual individuals from serving in the military. President Barack Obama, United States Secretary of Defense Robert Gates, and Chairman of the Joint Chiefs of Staff Admiral Mike Mullen have expressed their preference for ending the ban on homosexual individuals serving in the United States Armed Services. It has been reported that since going into effect in 1993, “Don’t ask, don’t tell” has resulted in the discharge of more than 13,500 service members for being gay, and at the present time when the military is desperately short of foreign-language expertise, it has fired over sixty-five gay Arabic and Farsi linguists.

Your Committee further finds that allowing homosexuals to serve in the military would significantly augment the nation’s military capabilities. Homophobia has no place in a modern, enlightened society, and the military is no exception.

Your Committee has amended this measure to include transmission of certified copies of this measure to Hawaii’s congressional delegation.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 36, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 36, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 2 (Gabbard, Hemmings). Excused, 2 (Bunda, Galuteria).

**SCRep. 2710 Transportation, International and Intergovernmental Affairs on H.B. No. 2297**

The purpose of this measure is to allow for the installation of transparent sun screening materials on a vehicle’s windshield that will reduce heat and protect a vehicle’s interior without jeopardizing public safety.

Specifically, this measure clarifies that transparent sun screening film materials that are exempt from regulation by the State are materials installed, affixed, or applied to any portion of a vehicle’s windshield that meet the requirements of Federal Motor Vehicle Safety Standard 205.

Your Committee received testimony in support of this measure from the City and County of Honolulu, The Hawaii Business League, and T&T Tinting Specialists, Inc. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that this measure updates the law on sunscreen devices, also called tinted windows. Current law restricts tinting to the upper four inches of windshields, known as the AS-1 line, to provide drivers with some relief from the sun. Presently, new technology has created a clear film which will effectively screen out over fifty per cent of the heat but does not reduce visibility in the process.

Your Committee has amended this measure by including a clarifying amendment.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2297, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2297, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 2711 Transportation, International and Intergovernmental Affairs on H.B. No. 1978**

The purpose of this measure is to protect consumers of tow services by requiring towing companies:

- (1) In counties with populations greater than 500,000 persons, to operate 24 hours per day, seven days a week and offer services including the release of vehicles in storage; and
- (2) To maintain insurance of at least:
  - (A) \$500,000 for bodily injury;
  - (B) \$200,000 for property damage;
  - (C) \$175,000 for on-hook coverage; or
  - (D) \$1,000,000 for a combined single limit of liability.

Your Committee received testimony in support of this measure from the Hawaii State Towing Association, Government Employees Insurance Company, and Property Casualty Insurers Association of America. Comments were received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that consumers have encountered problems in obtaining the release of vehicles from towing companies. For example, consumers have had to wait to pick up towed vehicles from a storage lot when no one was present at the lot to release the vehicle. Because consumers and businesses are unable to retrieve their vehicles in a timely manner, they are often faced with increased costs due to storage fees. This measure remedies those problems.

Your Committee has amended this measure by:

- (1) Specifying that towing fees shall be payable by cash, credit card, debit card, insurance company check, or commercial check issued by a licensed towing company dispatched by the owner or insurer;
- (2) Changing the effective date to January 1, 2011, to allow insurance companies sufficient time to issue new coverage; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1978, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1978, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2712 (Majority) Transportation, International and Intergovernmental Affairs on H.B. No. 2667**

The purpose of this measure is to require the Department of Transportation to conduct a study on the feasibility of establishing a statewide ferry system and ferry system authority.

This measure also requires the study to include a review of various types of ferry systems, including passenger-only and passenger, automobile, and cargo ferry systems, that the Department determines are suitable for operations within Hawaiian waters, taking into account such parameters as vessel design and speed, passenger capacity, cargo capacity, automobile capacity, availability of smaller vessels for transportation between the islands of Maui, Molokai, and Lanai, and compatibility with harbor infrastructure.

Your Committee received testimony in support of this measure from three individuals. Testimony in opposition was received from Maui Tomorrow Foundation, Inc., and twenty individuals. Comments were received from the Department of Transportation and Young Brothers, Limited. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure is intended to provide the additional link essential for the carriage of persons and property between the islands of the State. Hawai'i is made up of a chain of islands, six of which have major population centers. Unlike other states, Hawai'i does not have the benefit of being linked to other states through the federal interstate highway system or a network of intersecting state and local highways and roads. At this point, an interisland water transportation system seems to be the only sensible alternative to air transport, provided that the planning and execution is done correctly and in compliance with environmental laws.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2667, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 2713 Transportation, International and Intergovernmental Affairs on H.B. No. 2604**

The purpose of this measure is to extend the expiration date for an initial commercial driver's license from a period of not less than two or six years to a period of not more than eight years, expiring on the driver's birthday.

This measure also makes an appropriation out of the State Highway Fund for the purpose of implementing an extension of the commercial driver's license to prepare for the REAL ID Act.

Your Committee received testimony in support of this measure from the Department of Transportation, the City and County of Honolulu and the Hawaii Transportation Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure prepares the State for the federal REAL ID Act, which is a nationwide effort to improve the integrity and security of state-issued driver licenses and identification cards, which in turn will help fight terrorism and reduce fraud. This measure also provides greater consistency between the various identification cards and licenses in Hawaii.

Your Committee has amended this measure to:

- (1) Change the effective date to July 1, 2010;
- (2) Restore an appropriation amount of \$8,000 which was previously deleted in the H.D. 2 version; and
- (3) Make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2604, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2604, 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. 2714 Transportation, International and Intergovernmental Affairs on H.B. No. 2708**

The purpose of this measure is to require the Department of Transportation to develop and use a documented public involvement process that provides opportunities for public review and comment, to be applied in carrying out the statewide transportation planning process, including development of all state transportation projects within the statewide transportation plan.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities. Comments on this measure were received from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that public input into the statewide transportation planning process facilitates the requirements of section 279A-2, Hawaii Revised Statutes, relating to the development of a statewide transportation plan for a balanced, multi-modal statewide transportation system that serves clearly identified social, economic, and environmental objectives. Your Committee further finds that the needs of bicyclists, pedestrians, and persons with disabilities should be accommodated into transportation modalities as much as possible.

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 Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2708, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2708, 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. 2715 (Joint) Human Services and Public Safety and Military Affairs on S.C.R. No. 80**

The purpose of this measure is to provide education and information to incarcerated parents regarding their child support obligations upon intake and preparation for the least disruptive ways to reconnect with their children upon release.

Testimony in support of this measure was submitted by the Community Alliance on Prisons and the Hawaii Youth Services Network. Testimony in opposition to this measure was submitted by the Department of Public Safety. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the focus of correctional centers has shifted in the past several years to rehabilitation as opposed to mere confinement, and that it is important for those being released back into the community to be well-prepared and knowledgeable about how to best reintegrate. Your Committees also find that the children of those incarcerated often have a lot of the problems related to the incarceration and that often times upon release, incarcerated parents have difficulty reconnecting with their children. Your Committees further find that despite the economic climate that has forced the elimination of certain programs within correctional centers under the Department of Public Safety's purview, education and information should still be provided to parents upon intake and release.

Your Committees have amended this measure by making technical, nonsubstantive stylistic changes for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 80, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 80, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 1 (Bunda).

**SCRep. 2716 (Joint) Human Services and Public Safety and Military Affairs on S.R. No. 35**

The purpose of this measure is to provide education and information to incarcerated parents regarding their child support obligations upon intake and preparation for the least disruptive ways to reconnect with their children upon release.



Testimony in support of this measure was submitted by the Community Alliance on Prisons and the Hawaii Youth Services Network. Testimony in opposition to this measure was submitted by the Department of Public Safety. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the focus of correctional centers has shifted in the past several years to rehabilitation as opposed to mere confinement, and that it is important for those being released back into the community to be well-prepared and knowledgeable about how to best reintegrate. Your Committees also find that the children of those incarcerated often have a lot of the problems related to the incarceration and that often times upon release, incarcerated parents have difficulty reconnecting with their children. Your Committees further find that despite the economic climate that has forced the elimination of certain programs within correctional centers under the Department of Public Safety's purview, education and information should still be provided to parents upon intake and release.

Your Committees have amended this measure by making technical, nonsubstantive stylistic changes for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 35, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 35, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 1 (Bunda).

**SCRep. 2717 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 52**

The purpose of this measure is to approve the sale of the fee interest in 95-033 Kuahelani Avenue in Mililani, Oahu.

Testimony in support of this measure was submitted by one state agency. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Nahoia Apartments, built in 1975 as part of a State housing program. The units were sold in leasehold interest to owner-occupiers, who were given the opportunity to purchase the fee simple interest. To date, of the one hundred and sixty units originally sold in leasehold, one hundred and thirty owner-occupiers have purchased the underlying fee simple interest.

Your Committee has amended this measure by:

- (1) Inserting a provision describing the history of the subject property;
- (2) Clarifying that there are no further development plans for this property;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 52, 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. 52, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2718 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 56**

The purpose of this measure is to approve the sale of the fee interest in 2949 Ala Ilima Street #201 in Honolulu, Hawaii.

Testimony in support of the measure was submitted by one state agency and one individual. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Puana Malu condominiums, acquired in 1975 as part of a State housing program. The units were sold in leasehold interest to owner-occupiers, who were given the opportunity to purchase the fee simple interest. To date, of the twenty-one units originally sold in leasehold, nineteen owner-occupiers have purchased the underlying fee simple interest.

Your Committee has amended this measure by:

- (1) Inserting a provision describing the history of the subject property;
- (2) Clarifying that there are no further development plans for this property;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 56, 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. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).



**SCRep. 2719 (Joint) Higher Education and Health on H.C.R. No. 18**

The purpose of this measure is to express support for the Cancer Research Center of Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii System, The Queen's Medical Center, The Pacific Resource Partnership, and the American Cancer Society Hawaii Pacific, Inc. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees recognize the important contributions of the Cancer Research Center of Hawaii and fully support the Center's continued efforts to improve the health and well-being of Hawaii's residents.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 18, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 18, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Hemmings, Sakamoto, Takamine, Taniguchi).

**SCRep. 2720 (Joint) Human Services and Health on H.B. No. 1859**

The purpose of this measure is to help cover the costs of administering parking placards for persons with disabilities by increasing the annual vehicle registration fee by \$1, which will be deposited into the Disability and Communication Access Board Special Fund.

This measure also statutorily repeals the deposit of application fees for the credentialing of interpreters into the Disability and Communication Access Board Special Fund, and repeals the use of Special Fund moneys to cover the costs of administering the program for their credentialing.

Testimony in support of this measure was submitted by the State Council on Developmental Disabilities, the Disability and Communication Access Board, the Policy Advisory Board for Elder Affairs, and eleven individuals. Comments on this measure were submitted by the City and County of Honolulu Division of Motor Vehicle, Licensing and Permits. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that providing accessible parking to the disabled is an important part of providing services to the community, and with the growing number of aging persons in our population, the need for this service will be steadily increasing. Your Committees also find that a \$1 increase in the annual vehicle registration fee is a reasonable and feasible way to continue to pay for this important service.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1859, 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, 1 (Hemmings).

**SCRep. 2721 Public Safety and Military Affairs on H.B. No. 1900**

The purpose of this measure is to recognize the designations of Prisoner of War (POW) and Missing in Action (MIA) as valid descriptions of casualty status and category classification for military personnel.

Your Committee received testimony in support of this measure from two private entities and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The intent of this measure is to enable the United States Government to process POW and MIA personnel actions in a timely manner. In addition, this measure recognizes that POW and MIA designations as valid descriptions of casualty status and classification.

Your Committee believes that the POW and MIA designations are fitting and proper to recognize the men and women of our country who have gone to war to fight for and to protect our freedoms, as well as to combat tyranny and oppression of peoples throughout the world.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1900, 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 (Bunda, Galuteria).

**SCRep. 2722 Transportation, International and Intergovernmental Affairs on H.B. No. 2020**

The purpose of this measure is to ensure the safety of the public by expanding county enforcement of traffic regulations on public streets, roads, and highways whose ownership is in dispute between the State and the county, and on certain private streets, highways, and thoroughfares, to include laws relating to county vehicular taxes, motor vehicle safety responsibility, traffic violations, use of intoxicants while operating a vehicle, motor vehicle insurance, motorcycle and motor scooter insurance, and odometers.

Your Committee received testimony in support of this measure from the Department of Transportation, Mayor of Hawaii County, Hawaii Police Department, Hawaii Prosecuting Attorney, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The intent of this measure is to enhance county enforcement of state traffic laws in the interests of promoting safe driving and protecting public safety, particularly with regard to private streets. Your Committee understands that traffic crashes and fatalities occur upon private roadways that are open to the public for public use. Police need the authority to enforce all traffic-related laws on those private roadways. The problem is particularly acute in new subdivisions in which private roadways are open to the public. Your Committee was informed in testimony that the issue has arisen of the legality of officers enforcing traffic laws on those private streets.

Your Committee is concerned that this measure might be interpreted to mean that law enforcement officers now have the ability to enter upon private property, without permission of the owner, for the purpose of enforcing traffic laws on private roadways affronting the private property. The constitutional right to privacy of the property owner may, accordingly, be affected. As consideration of this issue is more appropriately within the subject matter jurisdiction of the Committee on Judiciary and Government Operations, your Committee defers to the Committee on Judiciary and Government Operations in this regard.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2020, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2020, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 2723 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 53**

The purpose of this measure is to approve the sale of the fee interest in 94-940 Meheula Parkway in Mililani, Oahu.

Testimony in support of the measure was submitted by one state agency. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Nahoia Apartments, built in 1975 as part of a State housing program. The units were sold in leasehold interest to owner-occupiers, who were given the opportunity to purchase the fee simple interest. To date, of the one hundred and sixty units originally sold in leasehold, one hundred and thirty owner-occupiers have purchased the underlying fee simple interest.

Your Committee has amended this measure by:

- (1) Inserting a provision describing the history of the subject property;
- (2) Clarifying that there are no further development plans for this property;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 53, 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. 53, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2724 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 54**

The purpose of this measure is to approve the sale of the fee interest in 95-029 Kuahelani Avenue in Mililani, Oahu.

Testimony in support of the measure was submitted by one state agency. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Nahoia Apartments, built in 1975 as part of a State housing program. The units were sold in leasehold interest to owner-occupiers, who were given the opportunity to purchase the fee simple interest. To date, of the one hundred and sixty units originally sold in leasehold, one hundred and thirty owner-occupiers have purchased the underlying fee simple interest.

Your Committee has amended this measure by:

- (1) Inserting a provision describing the history of the subject property;
- (2) Clarifying that there are no further development plans for this property;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 54, 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. 54, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2725 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 55**

The purpose of this measure is to approve the sale of the fee interest in 95-021 Kuahelani Avenue in Mililani, Oahu.

Testimony in support of the measure was submitted by one state agency. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Nahoia Apartments, built in 1975 as part of a State housing program. The units were sold in leasehold interest to owner-occupiers, who were given the opportunity to purchase the fee simple interest. To date, of the one hundred and sixty units originally sold in leasehold, one hundred and thirty owner-occupiers have purchased the underlying fee simple interest.

Your Committee has amended this measure by:

- (1) Inserting a provision describing the history of the subject property;
- (2) Clarifying that there are no further development plans for this property;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 55, 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. 55, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2726 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 307**

Recommending that the Senate advise and consent to the nomination of the following:

KAHANA VALLEY LIVING PARK PLANNING COUNCIL

G.M. No. 307 DANIELLE ULULANI BEIRNE-KEAWE, for a term to expire 6-30-2012

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Danielle Ululani Beirne-Keawe to have the necessary qualifications to be appointed to the Kahana Valley Living Park Planning Council.

Testimony in support of Danielle Ululani Beirne-Keawe was submitted by one state agency and one private organization.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Danielle Ululani Beirne-Keawe is the owner of Native Hawaiian Protocol and Consultant Services, Inc., a business she founded in 1994, and is a practitioner of native Hawaiian culture and arts. She has a B.A. in Hawaiian Studies and a Master's Degree in Urban and Regional Planning from the University of Hawaii at Manoa. Ms. Beirne-Keawe is a resident of the Ahupua'a O Kahana, one of the original thirty-one lessees in Kahana, and was co-founder of the Friends of Kahana, an organization that was set up to provide support to Kahana residents in their dealings with the State. She is President of Malama 'Ohana and the Ko'olauloa Hawaiian Civic Club, and participates actively in the Kahana Community Association. Her personal knowledge of the history of the Kahana ahupua'a and her dedication to Hawaiian cultural practices and values will be an invaluable asset to the Kahana Valley Living Park Planning 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, 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 (Hemmings, Kokubun, Takamine).

**SCRep. 2727 Energy and Environment on H.B. No. 40**

The purpose of this measure is to repeal Act 112, Session Laws of Hawaii 2009, which authorized the issuance of special purpose revenue bonds to assist Carbon Diversion Inc.

No testimony was received on this measure.

Your Committee finds that this measure's repeal of the special purpose revenue bond authorization is due to concern over a change in ownership of Carbon Diversion Inc, which was followed by a Securities and Exchange Commission investigation of the new owners and subsequent filing of a complaint in Federal District Court.

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. 40, 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 (Hemmings, Ihara, Kokubun).

**SCRep. 2728 Energy and Environment on H.B. No. 2239**

The purpose of this measure is to remove the exemption for dietary supplements from the deposit beverage container program.

Testimony in support of the measure was submitted by one county agency and one organization. One organization submitted comments and one organization submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that adding dietary supplement liquids, sometimes known as energy drinks, to the deposit beverage container program would result in additional income for the program and further improve recycling rates.

Your Committee also finds Hawaii's recycling rate for beverage containers has reached eighty per cent, and that while commendable, this can be improved. In addition to dietary supplement beverages, wine and hard liquor represent a substantial market and the containers for those products currently are ending up in the landfills.

Your Committee has amended this measure by:

- (1) Replacing its contents with S.B. No. 2420, S.D. 2, which is substantively similar but also provides that hard spirits and wine containers are subject to the deposit beverage container program; and
- (2) Changing the effective date to July 1, 2010.

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. 2239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2239, 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 (Hemmings, Ihara, Kokubun).

**SCRep. 2729 Energy and Environment on H.B. No. 2497**

The purpose of this measure is to authorize issuance of \$40,000,000 in special purpose revenue bonds for Carbon Bio-Engineers Inc., for development of non-fossil fuel energy production facilities at various locations in the State.

Testimony in support of this measure was submitted by one private organization. One state agency submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee understands that Carbon Bio-Engineers Inc., will be utilizing a patented technology developed at the Hawaii Natural Energy Institute, University of Hawaii, to reduce various waste streams to useful, high-yield marketable products. In addition, the project will contribute to the standards projected for cogeneration facilities by the Hawai'i Clean Energy Initiative, and will provide employment where the facilities are located.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of 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. 2497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2497, 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 (Hemmings, Ihara, Kokubun).

**SCRep. 2730 Higher Education on H.B. No. 2670**

The purpose of this measure is to increase from \$3,000,000 to \$5,000,000 the cap on the amount of expenditures that the University of Hawaii Board of Regents can authorize from the University of Hawaii tuition and fees special fund for the promotion of alumni relations and generation of private donations.

Testimony in support of this measure was submitted by the University of Hawaii System, the University of Hawaii Alumni Association, and the University of Hawaii Foundation. The Department of Budget and Finance submitted concerns on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides the Board of Regents of the University of Hawaii with added flexibility to increase expenditures for fundraising if the Board decides to do so in the future. According to testimony received by your Committee, every \$1 expended for fundraising through the University of Hawaii Foundation generates \$8 in private support. During this difficult economic climate, private funds from alumni and other donors would provide a beneficial supplement to existing funds to support the University's current and future students and academic programs, support research, and leverage additional monies from other sources.

Your Committee has amended this measure by inserting an effective date of July 1, 2009, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2670, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2670, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Sakamoto, Taniguchi).

**SCRep. 2731 Public Safety and Military Affairs on H.B. No. 1987**

The purpose of this measure is to apply the law on forfeiture of property and the nuisance abatement law to the:

- (1) Importation of aerial devices, display fireworks, or articles pyrotechnic without a valid license, a class C felony; and
- (2) Selling or transferring of aerial devices, display fireworks, or articles pyrotechnic to a person who does not have a valid permit, a class C felony.

Your Committee received testimony in support of this measure from one State department, two county agencies, two private entities, and fifteen individuals. Testimony in opposition was received from one individual. Comments were received from one State department and one private entity.

This measure subjects property used in the course of commission of a violation of the fireworks law or the proceeds therefrom to forfeiture. This measure also allows activities occurring in every building, premises, or place used in the violation of the fireworks law to be enjoined, abated, or prevented, including a nuisance abatement suit brought by citizens. Additionally, this measure makes certain fireworks violations a nuisance which constitutes grounds for forfeiture.

Your Committee finds that this measure provided additional tools to augment law enforcement efforts to deter and punish the most serious of fireworks violations.

Your Committee has amended this measure by clarifying the forfeiture provision, on recommendation of the State Attorney General, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1987, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1987, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Hemmings).

**SCRep. 2732 Public Safety and Military Affairs on H.B. No. 2271**

The purpose of this Act is to prohibit the manufacture, sale, transfer, possession, or transporting of dry ice bombs.

Your Committee received testimony in support of this measure from two private entities, and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

A dry ice bomb is a simple bomb-like device. While the simplicity and ease of construction, high bursting pressure and loud sound make this dry ice activity appealing for recreational purposes, it can be unpredictable and dangerous, and has led to many injuries. A dry ice bomb is made from a container typically a plastic bottle, water, and dry ice. The bottle is filled about quarter full of water, some dry ice is added, and the container shut tightly. As the solid carbon dioxide warms inside a bottle, it sublimates to a gas. The pressure inside the bottle increases as the quantity of gas increases with limited room to expand. Bombs will typically rupture within 30 seconds to 30 minutes, dependent largely on the temperature of the air outside the bottle.

Your Committee finds that dry ice bombs are most commonly used to simply make a gigantically loud blast, as happened with noticeable frequency last New Year's Eve. Depending on the size of the container and the amount of dry ice used, dry ice bombs can produce dangerous and potentially hazardous plastic shrapnel. Your Committee further finds that the public health, safety, and welfare necessitates that dry ice bombs be prohibited.

Your Committee has amended this measure by:

- (1) Amending the definition of "dry ice bomb" to delete references to a chemical reaction because a dry ice bomb explodes from a physical change produced when solid carbon dioxide warms and transitions to a gas phase, rather than from a chemical reaction; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2271, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2271, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Hemmings).

**SCRep. 2733 Public Safety and Military Affairs on H.B. No. 2692**

The purpose of this measure is to prepare for a major disaster on the leeward coast of Oahu by requiring the Director of Civil Defense to prepare a disaster preparedness plan for the forty-fourth and forty-fifth House of Representatives districts, and to report to the Legislature for the 2011 Regular Session.

Your Committee received testimony in support of this measure from twenty individuals. Testimony in opposition was received from one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that the leeward coast of Oahu is only accessible by way of Farrington Highway. Any closure of the highway due to traffic accidents or other incidences can temporarily disrupt the lives of tens of thousands of commuting residents. Your Committee further finds that, if a major disaster closes the freeway for extended periods of time, a host of problems arise that directly impacts the health, safety, and welfare of several leeward communities. Developing specific disaster preparedness plans for these communities is an important, but long-term process. This measure will initiate that process.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2692, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Hemmings).

**SCRep. 2734 Tourism on H.B. No. 2417**

The purpose of this measure is to clarify requirements for activity providers and activity desks, by:

- (1) Establishing recordkeeping requirements for client trust accounts held by activity desks;
- (2) Requiring registration numbers on advertising and promotional material and prohibiting an activity desk from failing to obtain full payment for activities later than three business days after the reservations are booked or placed, unless direct payment is arranged;
- (3) Requiring an activity desk to hold sums paid to an activity desk in trust for the person making the payment and the activity provider; and
- (4) Increasing the maximum bond or letter of credit requirement for activity desks from \$100,000 to \$250,000.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Activities & Attractions Association of Hawaii, Fair Wind Cruises, and Valley Isle Excursions, Inc.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will assist the Regulated Industries Complaints Office in conducting a thorough investigation of possible violations in an expeditious manner and will provide guidance to registrants as to how long records must be maintained.

Your Committee has replaced the contents of this measure with one previously heard and approved by your Committee, S.B. No. 2607, S.D. 1. As amended, this measure:

- (1) Deletes the authorization for the Director of Commerce and Consumer Affairs to, by rule, allow for the use of other types of funds or accounts provided that there is sufficient consumer protection;
- (2) Deletes the increase for the maximum bond or letter of credit requirement for activity desks from \$100,000 to \$250,000;
- (3) Changes the effective date from January 1, 2112, to July 1, 2010; and
- (4) Makes technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2417, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2417, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Kidani).

**SCRep. 2735 (Joint/Majority) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.B. No. 2922**

The purpose of this measure is to protect the environment and the community's health. Specifically, this measure:

- (1) Prohibits the knowing incineration or disposal of fluorescent and compact fluorescent light bulbs in landfills, waste-to-energy facilities, and incinerators in the State; and
- (2) Requires owners and operators of these facilities to post signs regarding this prohibition and to provide written notification to facility customers.

Testimony in support of the measure was submitted by two organizations. Testimony in opposition was submitted by one state agency and two county agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Compact fluorescent light bulbs, also known as CFL bulbs, are three times more efficient than standard incandescent light bulbs. Your Committees find that consumers in Hawaii recognize the energy savings advantages of using CFL bulbs. In 2007, 700,000 CFL bulbs were sold in Hawaii. However, due to the content of mercury and lead in these bulbs, their disposal in landfills and waste-to-energy facilities releases hazardous materials into the environment. Your Committees recognize the concerns of the state and county agencies in implementing a household disposal ban, and therefore recommend an additional recycling program be implemented through the retailers and wholesalers. Presently, one retailer on Kauai, Oahu, Maui, and Hawaii offers a free take-back service for used CFL bulbs. Your Committees believe that all consumers of CFL bulbs will benefit from a similar statewide program.

Your Committees have amended this measure by:



- (1) Requiring that retailers and wholesalers of fluorescent and compact fluorescent light bulbs take back and recycle used bulbs from customers at no charge;
- (2) Requiring that retailers and wholesalers of fluorescent and compact fluorescent light bulbs provide information about the collection service and the Department of Health to the customers;
- (3) Changing the effective date to July 1, 2010; and
- (4) Making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2922, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2922, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 1 (Slom). Excused, 3 (Hemmings, Hooser, Kokubun).

**SCRep. 2736 (Joint) Public Safety and Military Affairs and Commerce and Consumer Protection on H.B. No. 1944**

The purpose of this measure is to allow military personnel deployed outside the State on federal active duty to cancel or suspend health club membership at any time during the contract term under certain conditions.

Your Committees received testimony in support of this measure from one private entity, one business association, and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that military personnel who by reason of the deployment on active duty are unable to use health club facilities and services, should be entitled to cancel or suspend the health club contract.

Your Committees further find that military personnel enter into agreements with health clubs in good faith and have no control over deployment orders. Moreover, while the federal Servicemembers Civil Relief Act provides benefits to military personnel who are deployed on active duty in the context of rental agreements, credit card interest rates, income tax payment, and other terms, it is unclear whether its provisions would also allow military personnel to cancel or suspend a health club contract. This measure provides needed clarification and also provides for a partial refund of consideration paid by military personnel under the contract.

Your Committees have amended this measure by replacing its contents with a substantively similar measure, S.B. No. 2137, S.D. 1, which:

- (1) Deletes the provision that allows the health club to retain a portion of the contract price plus a reimbursement for expenses;
- (2) Adds a provision to require a pro rata refund to the member; and
- (3) Clarifies that proof of deployment is required to cancel or suspend the contract.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1944, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1944, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (English, Gabbard, Hemmings, Ihara, Sakamoto).

**SCRep. 2737 Tourism on H.B. No. 2445**

The purposes of this measure are to:

- (1) Authorize the Hawaii Tourism Authority to maintain the confidentiality of competitively sensitive information;
- (2) Align performance goals with the Authority's strategic plan goals; and
- (3) Preserve Hawaii Tourism Authority fiscal autonomy provisions of Act 58, Session Laws of Hawaii 2004, as amended, by deleting repeal and reenactment provisions scheduled to take effect on June 30, 2010.

Testimony in support of this measure was submitted by the Hawai'i Tourism Authority, and Hawai'i Hotel & Lodging Association. The Office of Information Practices submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Hawaii Tourism Authority to function more effectively in an increasing competitive global tourism market, a key component in rebuilding Hawaii's vital tourism industry.

Your Committee has replaced the contents of this measure with one previously heard and approved by your Committee, S.B. No. 2187, S.D. 1. As amended, this measure:

- (1) Clarifies that information relating to marketing plans and strategies may be disclosed after the execution of the marketing plans and strategies;
- (2) Requires periodic, rather than quarterly, reports of the Authority's contracts and agreements;
- (3) Changes the effective date from January 1, 2112, to July 1, 2010; and
- (4) Makes technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2445, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2445, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Kidani).

**SCRep. 2738 Education and Housing on H.B. No. 2381**

The purpose of this measure is to provide a temporary tax credit for residential construction and remodeling projects.

Testimony in support of this measure was submitted by nine private organizations and one individual. Testimony in support of the intent of this measure was submitted by the Governor's office and one state agency. Comments were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would provide a much-needed boost to the State's construction industry, creating ripple effects to stimulate the state economy while encouraging residents to undertake construction or renovations to improve their homes.

Your Committee has received proposed amendments to this measure that would provide tax credits for hotel construction and renovations rather than for residential construction and renovations. Proponents of the proposed amendments claim that such a tax credit would stimulate the economy more than a residential construction and renovation tax credit. Testimony submitted to your Committee indicates that a hotel construction and renovation tax credit would create up to 23,000 jobs and generate \$74,000,000 in additional tax revenue between 2010 and 2012. Your Committee has taken these recommendations into consideration and finds that additional information on the impact of various tax credit schemes on jobs and the state budget would be beneficial.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Department of Taxation to submit a report to the Legislature that compares the impact on jobs and the state budget of four separate tax credits for:
  - (A) New construction to residential apartment units and houses;
  - (B) Renovations to residential apartment units and houses;
  - (C) New construction to hotels and resorts; and
  - (D) Renovations to hotels and resorts; and
- (2) Adding a sunset date of June 30, 2013, for the residential construction and renovation tax credit to prompt a quicker initiation of construction or renovation projects; and
- (3) Adding language to clarify that the residential construction and renovation tax credit under this measure is temporary.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2381, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2381, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 2739 Education and Housing on H.B. No. 1854**

The purpose of this measure is to remove unnecessary restrictions on the use of food distribution program revolving funds and allow the use of the funds to support the administration and operation of the food distribution program pursuant to 7 Code of Federal Regulations section 250.15.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that unnecessarily restricting the use of food distribution revolving funds places an undue strain on the Department of Education's budget. This measure would align the use of the funds with the allowable costs in the United States Department of Agriculture's Food Distribution Programs.

Your Committee has made a technical, nonsubstantive change for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1854, 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 (Tsutsui).

**SCRep. 2740 (Joint) Energy and Environment and Health on H.B. No. 2688**

The purpose of this measure is to change the name of the environmental health education fund to the sanitation and environmental health special fund and allow the use of fund money for sanitation branch activities.

Testimony in support of the measure was submitted by one state agency and one individual. One state agency submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that there is a crisis in the shortage of food safety employees and inspectors. The Department of Health Sanitation Branch is participating in the United States Food and Drug Administration's Voluntary National Retail Food Regulatory Program. The Program standards recommend that the ratio of full-time food inspectors to food establishments be 1:150. Presently, on Oahu, there are 5,860 food establishments and nine inspectors, resulting in a ratio of 1:651. Recent data for Oahu revealed that of the 3,772 routine inspections conducted in 2009, inspectors identified 3,083 major violations that may have contributed to the occurrence of food borne illnesses or harmful contamination. This poor performance is a direct result of the inspection frequency of once every two and a half years. High risk and high volume food establishments should be inspected three to four times per year. It is imperative that the State have adequate staffing levels for food safety, to protect residents and visitors to the State.

Your Committees have amended this measure by:

- (1) Clarifying the expansion of sanitation branch activities covered by the fund;
- (2) Increasing the amount of the fund that can be used for administrative costs for environmental health programs; and
- (3) Making technical, nonsubstantive changes for the purposes of style and consistency.

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 H.B. No. 2688, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2688, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Baker, Ihara, Kokubun).

**SCRep. 2741 (Joint/Majority) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.B. No. 2644**

The purpose of this measure is to apply the solid waste disposal surcharge to waste that is deposited in a landfill, incinerator, or waste-to-energy facility and to waste that is shipped to out-of-state facilities for disposal.

Four organizations submitted comments on this measure. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The solid waste disposal surcharge of thirty five cents per ton applies only to waste that is disposed of at solid waste disposal facilities within the State. Solid waste collected for out-of-state shipment is not subject to the solid waste disposal surcharge even though it is regulated by the Office of Solid Waste Management. Additionally, new facilities and technologies are emerging that dispose of solid waste but do not meet the current statutory definition of solid waste disposal facility and thus the surcharge does not apply. Your Committees find that this measure will clarify that the solid waste management surcharge applies to all solid waste disposal facilities that are regulated by the Office of Solid Waste Management and receive solid waste for ultimate disposal through landfilling, incineration, or through a waste-to-energy facility whether in in-state or out-of-state.

Your Committees have amended this measure by:

- (1) Removing the purpose section and renumbering the sections; and
- (2) Changing the effective date to July 1, 2010.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2644, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2644, 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, 1 (Slom). Excused, 3 (Hemmings, Hooser, Kokubun).

**SCRep. 2742 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2832**

The purpose of this measure is to authorize the Office of Hawaiian Affairs to seek funding for projects that increase the cultivation and use of taro.

Testimony in support of the measure was submitted by four organizations, one county councilmember, and twelve other individuals. One state agency supports the intent, and one state agency and two organizations submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes the important role of taro in the future of Hawaii and is grateful to the Taro Security and Purity Task Force for providing a comprehensive review of what is needed to increase the supply of taro for Hawaii. Your Committee supports the continued efforts of the Task Force to work cooperatively with the Department of Land and Natural Resources and the Department of Agriculture to identify suitable taro growing lands held by the State. Putting these lands into production will have a great economic benefit to the State. Your Committee appreciates the administrative support the Office of Hawaiian Affairs has provided, and finds that without the continued support of the Office of Hawaiian Affairs, the Task Force may not be able to continue its work. Your Committee hopes the Office of Hawaiian Affairs will continue to lead this coordinated effort to support the increased cultivation of taro.

Your Committee has amended this measure by replacing its contents with the recommendation of the Taro Security and Purity Task Force to expand its duties to include implementation over the next five years of the policies and recommendations set forth by the Task Force in the report submitted to the 2010 Legislature.

Your Committee amended the measure by:

- (1) Inserting a purpose section;
- (2) Amending Act 211, Session Laws of Hawaii 2008, which established the Taro Security and Purity Task Force, to require the Task Force to implement their recommendations; and
- (3) Requiring the Taro Security and Purity Task Force to submit a preliminary report on implementation prior the Regular Session of 2014, and a final report to the Legislature prior to the Regular Session of 2015.

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. 2832, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2832, 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 (Bunda, Kokubun, Tokuda).

**SCRep. 2743 Labor on H.B. No. 2533**

The purpose of this measure is to:

- (1) Establish conditions for reemployment of a retirant in a position that is excluded from Employees' Retirement System membership;
- (2) Require a retirant to reimburse retirement allowances or other benefits received from the Employees' Retirement System when reemployed in violation of Hawaii law;
- (3) Require retirants and employers to pay the Employees' Retirement System for the amount of its respective contributions that should have been paid during the reemployment in violation of Hawaii law; and
- (4) Require retirants and employers to reimburse the Employees' Retirement System for administrative expenses incurred in response to the reemployment in violation of Hawaii law.

Testimony in support of this measure was submitted by two private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the restraints placed on the reemployment of retirants should comply with all applicable conditions and restrictions existing under Hawaii and federal law. Your Committee also finds that it is just and reasonable for the retirant and employer to reimburse the Employee Retirement System for any administrative expenses incurred when responding to a violation of reemployment.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2533, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2533, 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 (Taniguchi).

**SCRep. 2744 Labor on H.B. No. 2919**

The purpose of this measure is to amend the definition of "sewer worker" for purposes of the Employees' Retirement System.

Specifically, this measure includes the following classification titles as a "sewer worker":

- (1) Sewer maintenance working supervisor;
- (2) Wastewater collection system inspection supervisor;
- (3) Wastewater collection system district supervisor;
- (4) Wastewater collection system field services supervisor; and
- (5) Similar classifications that have a different classification title but perform substantially similar work as workers in paragraphs (1) through (4).

Testimony in support of this measure was submitted by two county agencies and one private organization. Testimony in opposition of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is fair and appropriate to include similarly ranked employees that perform substantially similar duties with similar benefits under the Employees' Retirement System. Your Committee also finds that the introduction of new classifications within the wastewater collection system maintenance function has created a potential inequity among sewer workers in the matter of the twenty-five year retirement benefit under the Employees' Retirement System.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and accuracy.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2919, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2919, 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 (Taniguchi).

**SCRep. 2745 (Majority) Labor on H.B. No. 2937**

The purpose of this measure is to require the decision of an arbitration panel rendered for a settlement between public sector employers and the exclusive representative of a public employee union to be final and binding with respect to contributions by the State or counties to the Employer-Union Health Benefits Trust Fund or Voluntary Employees' Beneficiary Association.

Testimony in support of this measure was submitted by two private organizations. Testimony in opposition of this measure was submitted by two state agencies and one county agency. Comments on this measure were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that for an arbitrator to make the most fair and equitable decision regarding employee benefits and employer obligations it is imperative for the arbitrator to have complete autonomy in analyzing all information and matters pertaining to both the benefits of and the amounts of contributions to the Hawaii Employer-Union Health Benefits Trust Fund or Voluntary Employees' Beneficiary Association. Your Committee also finds that a clearly defined negotiation plan will aid in the resolution of a complete compensation package, which includes benefits of and contribution amounts to the Hawaii Employer-Union Health Benefits Trust Fund or Voluntary Employees' Beneficiary Association that would be satisfactory to all parties represented in the negotiations.

Your Committee has amended this measure by:

- (1) Requiring that benefits under the Hawaii Employer-Union Health Benefits Trust Fund or Voluntary Employees' Beneficiary Association be included in collective bargaining negotiations;
- (2) Clarifying that the decision of the arbitration panel on matters concerning benefits of and amounts of contributions to the Hawaii Employer-Union Health Benefits Trust Fund or Voluntary Employees' Beneficiary Association shall be final and binding upon all the parties involved; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2937, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2937, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Taniguchi).

**SCRep. 2746 (Joint) Tourism and Transportation, International and Intergovernmental Affairs on H.B. No. 2598**

The purpose of this measure is to limit, for the period from July 1, 2010, through June 30, 2015, the amount of transient accommodations tax revenues distributed to the counties to 44.8 per cent or \$94,355,000 of the transient accommodations tax revenues collected in a fiscal year, whichever is less.

Testimony in support of this measure was submitted by the Department of Taxation; Hawaii Council of Mayors; Mayors of the four counties; Hawaii State Association of Counties; two members of the Maui County Council, five members of the Kauai County Council; County of Kauai Office of Economic Development; Kauai Economic Development Board; Maui Chamber of Commerce; West Kauai Business and Professional Association; Hawaii Government Employees Association AFSCME Local 152; Hawaii Hotel and Lodging Association; Maui Hotel and Lodging Association; Poipu Beach Resort Association; Outrigger Enterprises Group; Grand Hyatt Kauai Resort and Spa; Waimea Plantation Cottages; The St. Regis Princeville Resort; Recycled Bikes and Boards, WMTA; HSTA-R Hawaii District; and one private citizen. One private citizen submitted testimony in opposition. The Hawaii Tourism Authority and the Tax Foundation of Hawaii submitted comments.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the current transient accommodations tax distribution formula provides an equitable method of sharing state revenues with the counties, as many of the burdens imposed by tourism fall on the counties. This measure would preserve funding at the current level for five years, and assist the counties in maintaining infrastructure and services that support Hawaii's tourism industry.

Your Committees have amended this measure by:

- (1) Adding language to require that effective July 1, 2010, the transient accommodations tax shall be assessed and collected at a minimum rate of \$8 per day or at the rate of 7.25 per cent, whichever is higher; and
- (2) Making a technical, nonsubstantive amendment for the purpose of consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2598, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2598, 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 (Slom, Tsutsui).

**SCRep. 2747 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Education and Housing on H.B. No. 2845**

The purpose of this measure is to exempt the fee simple sale of individual dwellings on non-ceded, public lands that are repurchased or foreclosed on by the Hawaii Housing Finance and Development Corporation from the legislative approval requirements.

Testimony in support of the measure was submitted by one state agency. One individual submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation (Corporation) holds individual single-family homes and condominium units that were previously sold to qualified residents but reacquired by the Corporation at foreclosure or through the exercise of buyback rights. The Corporation would like to resell these properties immediately to other qualified residents with the same shared appreciation and buyback restrictions. To comply with legislative approval and other requirements of section 171-64.7, Hawaii Revised Statutes, the Corporation must spend approximately \$754 to \$924 and forty hours of staff time per home or unit. Your Committees find that this measure can reduce the amount of time and money required to resell these properties and support the mission of the Corporation to provide affordable housing.

Your Committees have amended this measure by changing the effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2845, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2845, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Kokubun, Tokuda, Tsutsui).

**SCRep. 2748 Education and Housing on S.C.R. No. 120**

The purpose of this measure is to request that funds be made available and released to enable the Hawaii Public Housing Authority to implement a Tenant Monitor Program.

Testimony in support of the intent of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee learned that the Hawaii Public Housing Authority has already submitted a plan to the United States Department of Housing and Urban Development to implement a Tenant Monitor Program as a pilot project in three housing projects. The Authority plans to provide tenants who are designated as resident managers for the Tenant Monitor Program with free rent in lieu of compensation, making the funding requested by this measure unnecessary.

Your Committee supports the Hawaii Public Housing Authority's efforts to implement the Tenant Monitor Program and finds that the Authority's proposed Program is an efficient use of existing resources to improve the security and management of Hawaii's housing projects. Your Committee encourages the Hawaii Public Housing Authority to provide an option of either free rent or partial rental assistance, in lieu of compensation, to a designated resident manager under the proposed Tenant Monitor Program to allow for fair compensation based on a resident manager's duties and to ensure adequate coverage throughout the day in each housing project.

Accordingly, your Committee has amended this measure as follows:

- (1) By removing language to support a request for funds to be made available and released for the implementation of the Hawaii Public Housing Authority's proposed Tenant Monitor Program;
- (2) By adding language to describe the Hawaii Public Housing Authority's proposed Tenant Monitor Program and plans to implement the Program;
- (3) By adding language to encourage the Hawaii Public Housing Authority to provide an option of either free rent or partial rental assistance, in lieu of compensation, to each designated resident manager;
- (4) By adding language to request the Hawaii Public Housing Authority to report to the Legislature on whether or not the United States Department of Housing and Urban Development has approved the Authority's proposed Tenant Monitor Program, reasons for disapproval if the Program is not approved, and an update on the status of implementation of the Program if the Program is approved; and
- (5) By amending the title to appropriately reflect the purpose of the measure as amended.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 120, 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. 120, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 2749 (Joint/Majority) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.C.R. No. 67**

The purpose of this measure is to request the United States Congress to pass legislation that promotes jobs and innovative energy development, heightens national energy and economic security, positions the United States to be an international leader in the field of clean energy, and addresses the consequences of climate change without preempting states' rights to control emissions and to promote renewable energy.



Testimony in support of the measure was submitted by one organization. One organization submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the United States exports its wealth in order to import the oil that is necessary to meet our daily energy needs. This weakens our economy, threatens our national security, and negatively impacts our environment. Individual states are leading the nation in green jobs and clean energy initiatives, including the unprecedented agreement in 2008 between the State of Hawaii and the United States Department of Energy, which created the Hawaii Clean Energy Initiative. The United States lacks a national framework of legislation for renewable energy and energy efficiency, which could strengthen the nation's security, create clean energy jobs, and reduce pollution.

A bipartisan Coalition of (State) Legislators for Energy Action Now (CLEAN) is calling on Congress to act now, to keep our hard earned billions in our states, to create a robust economy with new green jobs, and to make our nation more secure by enacting a national energy policy that supports clean energy technology.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purpose of style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 67, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 67, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 3 (Hemmings, Hooser, Kokubun).

**SCRep. 2750 Health on H.B. No. 2464**

The purpose of this measure is to amend the definition of "practice of pharmacy" to allow pharmacists to administer immunizations to persons who are at least nine years of age with parental consent contingent upon the Governor's determination of a public health necessity.

Your Committee received testimony in support of this measure from Walgreens Company. Testimony in opposition to this measure was received from the Department of Health, the Hawaii Pharmacists Association, the American Academy of Pediatrics, the Hawaii Medical Association, Family Voices of Hawai'i, and one individual. The Board of Pharmacy submitted testimony in support of the intent of this measure with amendments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that pharmacies are often more conveniently located in our communities and are open for business for longer periods of time than physicians' offices and, during a state health emergency, would provide greater access to community members seeking vaccinations for their children.

Your Committee further finds that there is a lack of consensus about this measure in the medical and pharmacy communities.

Your Committee has amended this measure by removing the substance of this measure and replacing it with language establishing a temporary task force, to be called the Pharmacy-Administered Vaccinations to Minors Task Force, which shall investigate the concerns raised by the stakeholders of this issue. The Task Force shall report its conclusions and recommendations, including proposed legislation, to the Legislature twenty days prior to the Regular Session of 2011.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2464, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2464, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2751 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2083**

The purpose of this measure is to require milk and soy milk beverages to be labeled with the date of pasteurization or the date of packaging.

Testimony in support of the measure was submitted by one organization. Testimony in opposition was submitted by two state agencies and four organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Advances in food processing techniques have drastically increased the shelf life of certain foods, ultra-pasteurization or ultra high temperature processes result in milk and soy milk products having a six-month shelf life with no refrigeration. However, these processes also affect the nutritional value of milk and soy milk products. Current labeling policies do not require a "born on" date, thus the consumer does not know how long the milk or soy milk products have been sitting on the shelf. Your Committee finds that this measure will provide the consumer with more information to evaluate the freshness of available products.

Your Committee has amended the measure by requiring that beverage products that are one hundred per cent milk or soy milk are subject to 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. 2083, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2083, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2752 Public Safety and Military Affairs on H.B. No. 2383**

The purpose of this measure is to recognize the National League of Families' Prisoner of War/Missing in Action Flag that was recognized by the United States Congress through Pub. L. 101-355 on August 10, 1990, and to specify when and the manner in which the Flag is to be flown.

Your Committee received testimony in support of this measure from one state department, three private entities, and five individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is important to recognize and honor the extraordinary heroism of the brave men and women who risked or sacrificed their lives or their freedom in the past, as well those who place their lives in harm's way on a daily basis in Afghanistan and Iraq. Since World War I, over 142,000 Americans, including 85 women, have been captured and interned as prisoners of war. Not included in this figure are nearly 93,000 Americans who are classified as missing in action.

Your Committee has amended this measure by clarifying that the Prisoner of War/Missing in Action Flag shall be flown on the grounds of the State Capitol and the State Department of Defense headquarters on specified days.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2383, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2383, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Hemmings).

**SCRep. 2753 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on H.B. No. 1808**

The purpose of this measure is to ensure public access to the beaches.

Specifically, this measure:

- (1) Requires maintenance of public beach accesses by adjacent landowners and imposes penalties for noncompliance;
- (2) Establishes shoreline access as a policy of the Coastal Zone Management Program; and
- (3) Amends the definition of "shoreline."

Testimony in support of this measure was submitted by three state agencies, one neighborhood board, one member of the House of Representatives, four organizations, and twenty-five individuals. One organization and two individuals submitted comments. Testimony in opposition was submitted by one organization and two individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees appreciate the extensive testimony presented on this measure, but has some concerns that this measure represents a "one size fits all" approach. Your Committees support lateral access to beaches, but there is some disagreement about the role of vegetation in relation to the natural erosion of some beaches and how best to address the problem in broad policy. Your Committees find that a clarification to the definition of "shoreline" will reflect the public policy favoring shoreline access by reserving as much of the shore as possible for the public. Your Committees hope that this will help ensure lateral access to beaches, and that the stakeholders will continue to work on ways to address these important issues.

Your Committees have amended this measure by:

- (1) Removing the provisions to:
  - (A) Require maintenance of public beach accesses by adjacent landowners and impose penalties for noncompliance; and
  - (B) Establish shoreline access as a policy of the Coastal Zone Management Program;
- (2) Clarifying the definition of "shoreline"; and
- (3) Changing the effective date to July 1, 2050 for the purposes of facilitating further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1808, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1808, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (English, Fukunaga, Hemmings, Tokuda).

**SCRep. 2754 Education and Housing on H.B. No. 2740**

The purpose of this measure is to direct the Department of Education to enter into a financing agreement for the planning and design of Royal Kunia Elementary School II using certificates of participation.

Testimony in support of this measure was submitted by one state agency, one private organization, and three individuals. One state agency provided written comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Royal Kunia community has waited over fifteen years for the construction of Royal Kunia Elementary School and in the meantime, has had to place its children in schools that are overcrowded or far away. This measure directs the Department of Education to use a method of financing that would expedite the planning, design, and construction of Royal Kunia Elementary School II.

Upon the consideration of testimony submitted to your Committee, your Committee has amended this measure as follows:

- (1) By removing inaccurate information from the purpose section;
- (2) By removing language that requires the Department of Education to enter into a financing agreement or issue certificates of participation to a private developer for the planning and design of Royal Kunia Elementary School II;
- (3) By inserting language directing the Department of Education to consider, as the preferred method of financing the planning, design, and construction of the Royal Kunia Elementary School II, entering into a financing agreement with or issuing certificates of participation to a private developer;
- (4) By clarifying that the Department of Education is authorized to enter into financing agreements or issue certificates of participation for the acquisition of other public school facilities and any lands for these facilities;
- (5) By clarifying that the purpose of the appropriation of state educational facilities improvement special fund moneys under this measure is for the planning, design, and construction of Royal Kunia Elementary School II and providing that the remaining costs necessary to complete the project shall also be eligible for funding through a financing agreement or issuance of certificates of participation; and
- (6) By inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2740, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2740, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 2755 Health on H.B. No. 2094**

The purpose of this measure is to authorize the issuance of \$75,000,000 in special purpose revenue bonds to assist Hawaii Pacific Health in financing, refinancing, and reimbursing costs related to the acquisition or construction of health care facilities.

Testimony in support of this measure was submitted by Hawai'i Pacific Health and the Healthcare Association of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawai'i Pacific Health is the State's largest health care provider with a network of four nonprofit hospitals, including Kapi'olani Medical Center for Women & Children, Kapi'olani Medical Center at Pali Momi, Straub Clinic & Hospital, and Wilcox Memorial Hospital, 44 outpatient clinics, and more than 2,200 physicians and clinicians. Hawai'i Pacific Health will use the added capital to refinance an existing bank loan issued to refund tax exempt bonds and to finance the renovation of its hospital facilities and purchase of medical equipment. Your Committee further finds that the uses for which Hawai'i Pacific Health has earmarked the funds provided by this measure are pressing enough to warrant passage of this measure.

Your Committee takes note of the recommendation from the Department of the Attorney General that this measure should not be passed before passage of the Executive Supplemental Budget for fiscal year 2011.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2094, and recommends that 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 (Hemmings).

**SCRep. 2756 (Joint) Health and Human Services on H.B. No. 2084**

The purpose of this measure is to appropriate state matching funds to secure a federal Medicaid disproportionate share hospital appropriation of \$15,000,000 which, although designated for Hawaii by the federal government, cannot be expended without a matching state appropriation.

Testimony in support of this measure was submitted by The Queen's Medical Center, Kaiser Permanente Hawaii, the Healthcare Association of Hawaii, the Hawai'i Primary Care Association, the Hawaii State Rural Health Association, the Hawaii Medical Service Association, The Chamber of Commerce of Hawaii, and the Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Human Services. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that Medicaid/QUEST is the cornerstone of health care for Hawaii's most needy population. However, the reimbursements and payments of Medicaid/QUEST to Hawaii's hospitals are inadequate and force hospitals to absorb multi-million dollar losses.

Your Committees further find that in 2009, S.B. No. 423 appropriated \$12,000,000 in state funds to draw down \$15,000,000 in federal funds; however, even though the Legislature overrode the Governor's veto of the measure, the Governor has yet to release those funds. It is your Committees' hope that the funds provided by this measure will be available in the coming year.

Your Committees have amended this measure by:

- (1) Extending the date of the appropriation from fiscal year 2010-2011 to include the entire 2009-2011 fiscal biennium; and
- (2) Inserting an effective date of July 1, 2050 to encourage further discussion of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2084, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2084, 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, 1 (Hemmings).

**SCRep. 2757 (Joint) Human Services and Commerce and Consumer Protection on H.B. No. 2087**

The purpose of this measure is to ensure that health plans providing services under government programs, specifically QUEST and QUEST-Ex, are not unfairly charged interest under the Clean Claims Law, by exempting these health plans from interest accrual on late payments to service providers that are caused by delayed government reimbursements to the health plan for those services.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii and the Hawaii Medical Service Association. Testimony in opposition was submitted by the Department of Human Services. Written comments were submitted by AlohaCare, the Hawaii Chapter of the American Physical Therapy Association, Ohana Health Plan, and Kaiser Permanente. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that there is a critical Medicaid shortfall that affects the most vulnerable people in our State, and with the current state budget crisis, many health care plans and providers are experiencing abnormally long delays in payment from the State. The health care plans are often forced to pay their providers while not getting paid by the State, which creates a financial hardship for them. Your Committees additionally find that withdrawing moneys from the hurricane reserve trust fund in order to draw down federal matching funds is an appropriate strategy since the current match is enhanced by the federal government. The Department of Human Services has estimated that there is a potential for their budget shortfall to reach \$150,000,000 for the next two fiscal years, and currently the federal government is allowing for a \$2 reimbursement for every \$1 spent by the State on Medicare expenses through the American Recovery and Reinvestment Act up until December 31, 2010.

Accordingly, your Committees have amended the measure by replacing its contents with the contents of S.B. No. 2598, S.D. 2. As amended, this measure:

- (1) Adds a new section to chapters 103F and 346, Hawaii Revised Statutes, that:
  - (A) Requires the State to pay to any health plan contracted under the State's Medicaid program interest at the rate of 15 percent per year on any unpaid amounts owed by the State and due; provided that certain exceptions shall apply; and
  - (B) Automatically suspends the accrual of interest if an entity's failure to timely pay a claim is due to late payment to the entity by the State or federal government for services provided to beneficiaries of a government program;
- (2) Retains language exempting health plans providing services under government programs such as QUEST and QUEST-EX from interest accrual on payments to service providers that are late due to delayed government reimbursements; and
- (3) Authorizes an appropriation from the Hurricane Reserve Trust Fund and the expenditure of federal matching funds acquired from the American Recovery and Reinvestment Act to address the Medicaid shortfall, including reducing delays in payments to health plans, providing Medicaid to Compact of Free Association migrants, and addressing increased Medicaid enrollment.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2087, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2087, 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, 1 (Sakamoto).

**SCRep. 2758 Public Safety and Military Affairs on H.B. No. 2657**

The purpose of this Act is to direct the Department of Public Safety to work with Ohana Ho'opakele and other restorative justice groups to prepare a plan for the creation of a pu'u honua, or wellness center, on lands owned or controlled by the State, giving preference to the site formerly used as the Kulani Correctional Facility on the island of Hawaii.

Your Committee received testimony in support of this measure from three private entities. Testimony in opposition was received from one State department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the most recent information on the use of drugs, alcohol, and tobacco reveals a disturbing rise in the use of these substances among the native Hawaiian population, and in particular, by native Hawaiian youth. In fact, among high school students in the eighth and tenth grades, native Hawaiian children rank highest among all ethnic groups in the use of these substances.

Your Committee further finds that the greatest potential to stem the tide of this tragic situation lies in culturally-based substance abuse treatment and intervention programs that take a holistic approach based upon cultural identity, spirituality, and strength to get to the underlying reasons for substance abuse to enable healing from within.

The site formerly used as the Kulani Correctional Facility in East Hawaii would be an ideal site for a wellness center. It is a place of deep spirituality for the native Hawaiian people; and, pragmatically, it has the infrastructure and historical precedence for use in sustainable living.

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 Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2657, H.D. 1, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 2657, 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 (Bunda, Hemmings).

**SCRep. 2759 Human Services on H.B. No. 2091**

The purpose of this measure is to address problems related to the delay in Medicaid processing times related to eligibility by:

- (1) Requiring the Department of Human Services (DHS) to provide presumptive eligibility coverage to individuals waitlisted for Medicaid, upon meeting certain conditions;
- (2) Requiring DHS to submit a report to the Legislature every year from the 2011 Regular Session through the 2015 Regular Session, of its findings and recommendations regarding costs and other issues related to Medicaid presumptive eligibility;
- (3) Requiring DHS to conduct a study of a computerized system for processing Medicaid applications and submit a report to the Legislature prior to the 2011 Regular Session, of its findings and recommendations for an alternative system for processing Medicaid applications; and
- (4) Appropriating an unspecified amount for reimbursements to providers or plans for services provided for individuals who are granted presumptive eligibility but are later determined to be ineligible.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii, The Queen's Medical Center, The Chamber of Commerce of Hawaii, Kaiser Permanente and the Hawaii Disability Rights Center. Testimony in opposition to this measure was submitted by the Department of Human Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee understands that on average, there are at least 200 patients in acute care hospital settings statewide who are waitlisted for long-term care. The quality of life and general health of waitlisted patients may be compromised when they are waitlisted for prolonged periods of time. Furthermore, these patients unnecessarily occupy hospital beds that could otherwise be used by persons who need acute care. This not only compromises the ability of acute care hospitals to meet the acute care needs of the community, but it is also a serious financial drain on the hospitals. According to testimony from the Healthcare Association of Hawaii, a 2009 Ernst & Young report showed that Medicaid pays for only 20 to 30 per cent of the actual costs of care for waitlisted patients.

By providing patients waitlisted for long-term care with presumptive eligibility for Medicaid, this measure expedites the movement of patients out of acute care and into appropriate long-term care. Your Committee understands that the risk of error in determining presumptive eligibility for Medicaid is low and this measure contains the requisite safeguards. In this regard, before presumptive eligibility may be granted, a Medicaid applicant must show proof of annual income that meets federal requirements, verify assets, confirm waitlisted status as certified by a health care provider licensed in Hawaii, and meet the level of care requirement for institutional or home- and community-based long-term care as determined by a physician licensed in Hawaii.

Your Committee has amended this measure by:

- (1) Requiring the DHS to establish a process for prescreening Medicaid applicants in an expedited timeframe, which shall include a preliminary review of the application to determine if it is complete and notification to the applicant regarding what is needed to complete the application;
- (2) Requiring for a determination of presumptive eligibility, that the applicant, among other things, verify the applicant's assets for the previous five years; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2091, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2091, 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 (Hemmings).

**SCRep. 2760 Public Safety and Military Affairs on H.B. No. 2266**

The purpose of this measure is to require the Department of Public Safety:

- (1) To address, to the best of the Department's ability, sexual assault in prison and make every effort to seek grant moneys from the federal government to implement those efforts;
- (2) To annually report data to the Legislature on specified information; and
- (3) To report to the 2011 Legislature on its efforts to implement the federal Prison Rape Elimination Act in state correctional facilities under the Department's jurisdiction.

Your Committee received testimony in support of this measure from five private entities and two individuals. Testimony in opposition was received from one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The federal Prison Rape Elimination Act of 2003, among other things, created the National Prison Rape Reduction Commission to study the causes and consequences of sexual abuse in confinement and to develop standards for correctional facilities nationwide that



would set in motion a process to eventually eliminate prison rape. The Act applies to all public and private institutions that house adult or juvenile offenders and to community-based correctional agencies. The Prison Rape Elimination Act:

- (1) Requires development of standards for detection, prevention, reduction, and punishment of prison rape;
- (2) Standardizes collection and dissemination of information on the incidence of prison rape; and
- (3) Awards grants to help state and local governments implement the Act's provisions.

Your Committee finds that this measure requires the Department of Public Safety to address the issue of sexual assault in prison. The psychological effects of sexual assault can re-traumatize victims for years following an assault. Although sexual abuse typically leaves few visible scars, most victims suffer persistent and sometimes lifelong mental and physical repercussions. This measure addresses this issue by requiring the Department of Public Safety to establish policies and procedures to provide appropriate treatment to victims of prison rape and to prevent the occurrence of prison rape.

Your Committee has amended this measure by changing the effective date to upon approval, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2266, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2266, 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 (Bunda, Hemmings, Kidani).

**SCRep. 2761 Public Safety and Military Affairs on H.B. No. 415**

The purpose of this measure is to direct the Auditor to conduct a financial and management audit of the Department of Public Safety's contracts with the Corrections Corporation of America and the Federal Detention Center.

Your Committee received testimony in support of this measure from six private entities and three individuals. Testimony in opposition was received from one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Specifically, the audit will focus on a comparison, in terms of quality of programming, costs, and economic benefit to the State, of housing Hawaii inmates in mainland facilities and the Federal Detention Center in Honolulu, with housing Hawaii inmates in Hawaii facilities operated by the State. The Auditor is directed to:

- (1) Address the closure of the Kulani Correctional Facility as part of its analysis in conducting this comparison;
- (2) Make a recommendation on whether the continued housing of Hawaii inmates in mainland facilities and in the Federal Detention Center in Honolulu is advisable, in view of the explicit requirements of the Community Safety Act of 2007 and its subsequent amendments; and
- (3) Report findings and recommendations to the Legislature prior to the 2011 Regular Session.

Your Committee finds that a Department of Public Safety study, presented to the Legislature in 2008, indicated that a significant number of inmates housed in medium security prisons on the mainland and at the medium security Federal Detention Center should have been classified as minimum or community security. These inmates could have been housed at Kulani Correctional Facility and other underutilized facilities in Hawaii. However, the Department chose to pay a private vendor and the federal government an additional cost to house Hawaii inmates.

Your Committee further finds that the recent closure of Kulani Correctional Facility with its unique and needed programs, when considered with the fact that six of nine Hawaii correctional facilities are under capacity, raises the question of the cost-effectiveness of the Department's policy of contracting with the Corrections Corporation of America to house a substantial number of Hawaii inmates in mainland private prisons at significant cost to the State and to the detriment of Hawaii inmates whose consideration for parole has and will be delayed due to the absence at these facilities of programs needed by the inmates to complete their prescriptive programs.

Your Committee has amended this measure by changing the effective date to upon approval, and by making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 415, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 415, 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 (Bunda, Hemmings).

**SCRep. 2762 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on H.B. No. 2171**

The purpose of this measure is to require the Director of Taxation to provide the administrator of each county's real property assessment division with an image of all certificates of conveyances filed with the Bureau of Conveyances.

Testimony in support of the measure was submitted by two county agencies. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.



The current method, whereby the county makes weekly pickups of the printed certificates from the Department of Taxation, is not efficient and would be greatly improved with electronic data transfers of the conveyance certificates filed with the Bureau of Conveyances. The Department of Taxation, which has already implemented a process to scan these documents, would no longer need to provide printed copies of these certificates to the counties. Additionally, the neighbor islands would be able to retrieve the documents directly rather than relying on the City and County of Honolulu's assessment offices. Your Committees find that receiving these documents in digital format would enable the counties to promptly track recorded ownership, encumbrances, restrictions, uses, and sales prices of real property for the purpose of determining real property tax assessments.

Your Committees have amended this measure by replacing its contents with S.B. No. 2610, the companion measure previously heard and adopted by your Committees.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2171, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2171, 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 (English, Fukunaga, Hemmings, Tokuda).

**SCRep. 2763 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2294**

The purpose of this measure is to make various amendments to the agricultural inspection and biosecurity laws to provide a dedicated source of funding for the inspection, quarantine, biosecurity, and eradication programs of the Department of Agriculture.

Specifically, this measure:

- (1) Expands the use of moneys in the pest inspection, quarantine, and eradication fund (special fund) to include biosecurity services and other services provided under chapter 150A, Hawaii Revised Statutes;
- (2) Authorizes all fees and fines imposed under chapter 150A, Hawaii Revised Statutes, to be deposited into the special fund;
- (3) Repeals the permit revolving fund and microorganism import certification revolving fund and transfers the moneys and obligations of these funds to the special fund;
- (4) Provides that the fee for inspection, quarantine, and eradication of invasive species in freight does not apply to aggregate bulk freight, cement bulk freight, coal bulk freight, or liquid bulk freight;
- (5) Establishes fines for failure to pay or remit the fee for inspection, quarantine, and eradication of invasive species in freight; and
- (6) Requires the Department of Agriculture to impose or increase fees under chapter 150A, Hawaii Revised Statutes, by rule to levels sufficient to pay the costs of programs under the chapter and provides statutory fee rates in the event that the Department fails to adopt rules.

Testimony in support of the measure was submitted by four organizations and one individual. One state agency and three organizations support the intent. With regard to the exemption for certain types of bulk freight, four organizations support the exemption, one organization supports the intent, and one organization opposes it. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that adequate funding for the control and prevention of invasive species has been lacking for too long. Hawaii residents, businesses, and agricultural operations are left to pay for the expenses of inspection and eradication. Your Committee has been informed that an estimate from a reliable source pegs the costs to taxpayers at upwards of \$400 million annually. Act 3, Special Session Laws of Hawaii 2008, enacted revisions to the inspection, quarantine, and eradication service fee and charge, codified as section 150A-5.3, Hawaii Revised Statutes, to add inspections of air freight. However, Act 3 did not provide for fines for nonpayment of those fees and charges. This measure addresses that statutory deficit.

Your Committee further finds that this measure provides a narrow exemption from the inspection, quarantine, and eradication service fee and charge for certain kinds of bulk freight, which are inherently unlikely to carry invasive species and are subject to federal inspections. Cement bulk freight is pre-processed aggregate and sand that meets stringent requirements of the American Society of Testing Materials, and typically takes up an entire bulk freighter, which is a ship specially designed to transport unpackaged bulk freight. Prior to leaving for the State, the bulk freight goes through a sampling and inspection process to ensure clearance by the United States Department of Agriculture Animal and Plant Health Inspection Service upon arrival. Similarly, crushed granite aggregate used in hot-mix asphalt involves the excavation of glacial deposits of granite with large scrapers, and then the crushing and washing to the finished product specifications. These processes are subject to strict quality control standards designed to detect and prevent deleterious and organic material in the finished product.

Your Committee supports the Department of Agriculture's inspection, quarantine, biosecurity, and eradication programs, however, is concerned about making drastic, fundamental changes to the structure of chapter 150A, Hawaii Revised Statutes. During these difficult times when funding sources are scarce, your Committee hopes to help the Department of Agriculture maintain inspection, quarantine, biosecurity, and eradication services without jeopardizing the future functioning of the Department.

Your Committee has amended the measure by replacing its contents with:

- (1) The contents of S.B. No. 2523, S.D. 1, which exempts bulk freight of foreign origin from the inspection, quarantine, and eradication service fee and charge; and
- (2) The contents of S.B. No. 2236, S.D. 1, which establishes fines for failing to pay, bill, or remit the inspection, quarantine, and eradication fee,

which were previously heard and adopted by your Committee.

Your Committee further amended the measure by making the sections relating to the exemption of bulk freight effective retroactive 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. 2294, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2294, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2764 Health on H.B. No. 2086**

The purpose of this measure is to allow clinical laboratory test results to be provided to authorized persons or any covered entity for any purpose permitted under the Health Insurance Portability and Accountability Act of 1996.

Your Committee received testimony in support of this measure from the Hawaii Medical Association and the Hawaii Medical Service Association. The Department of Health supports the intent of this measure with amendments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will enable regional information sharing as well as intrastate healthcare information exchanges. Your Committee further finds that appropriate sharing of health data within the healthcare system is an important step in improving the quality and coordination and lowering the costs of medical care.

Your Committee has amended this measure by making it effective 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 H.B. No. 2086, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2086, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2765 Health on H.B. No. 2349**

The purpose of this measure is to extend assault and terroristic threatening protections to emergency room health care personnel.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, Kaiser Permanente, the Hawaii Government Employees Association, AFSCME Local 125, AFL-CIO, the Healthcare Association of Hawaii, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that emergency medical workers serve an indispensable public need but face a high level of risk in the line of duty. The Legislature previously acknowledged these heightened risks by passing Act 79, Session Laws of Hawaii 2007, which increased penalties for terroristic threatening and second degree assault against mobile intensive care technicians and emergency medical technicians.

Your Committee finds that this measure extends protection from terroristic threatening and second degree assault to other emergency room personnel, including physicians, physician's assistants, nurses, or nurse practitioners who provide medical services in the emergency room of a hospital.

Your Committee has amended this measure by making it effective 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 H.B. No. 2349, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2349, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2766 Health on H.B. No. 2575**

The purpose of this measure is to allow the Department of Health to establish trauma care peer review and quality assurance committees with statutory protection from discovery.

Your Committee received testimony in support of this measure from the Department of Health, the Healthcare Association of Hawaii, The Queen's Medical Center, American Medical Response, Kona Community Hospital, and two individuals. Testimony in support of the intent of this measure with amendments was received by the Hawaii Association for Justice. The Office of Information Practices submitted testimony commenting on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is in the public interest to continue to improve Hawaii's trauma care facilities. This measure provides for peer review and quality assurance committees to be established by the Department of Health to examine and make recommendations to improve trauma care in Hawaii. Your Committee recognizes that for the Department of Health's peer review and quality assurance committees to have maximum effect, they should be exempt from discovery.

Your Committee has amended this measure by:

- (1) Placing authorization for the Department of Health to establish statewide trauma care system peer review and quality assurance committees in section 624-25.5, Hawaii Revised Statutes, instead of amending section 321-230, Hawaii Revised Statutes; and
- (1) Amending the definitions of "quality assurance committee" and "peer review committee" in section 624-25.5 to include Department of Health multidisciplinary trauma care committees.

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. 2575, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2575, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2767 Health on H.B. No. 2661**

The purpose of this measure is to reinforce that any response by a person or persons authorized to amend or revoke a decision to make an anatomical gift that is not an express refusal will prohibit the amendment or revocation of the anatomical gift.

Your Committee received testimony in support of the intent of this measure with amendments from one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii's low organ donation rate results in unnecessary deaths and expense for desperately ill Hawaii residents. This measure reinforces that only an express refusal by an authorized person can revoke an anatomical gift post-mortem.

Your Committee has amended this measure by changing its effective date to December 1, 2050, to encourage further discussion of how to encourage anatomical gifts.

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. 2661, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2661, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2768 Health on H.B. No. 2152**

The purpose of this measure is to authorize the Disability and Communication Access Board to charge a fee for the reviews it conducts of public building plans as part of the design and construction process to ensure accessibility by persons with disabilities in accordance with the Americans with Disabilities Accessibility Guidelines and the Federal Fair Housing Amendments Act of 1988.

Testimony in support of this measure was submitted by the Disability and Communication Access Board and six individuals. Your Committee received testimony in opposition to this measure from one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the reviews of public building plans conducted by the Disability and Communication Access Board ensure the incorporation of adequate disability access into the design of public buildings and prevent expensive retrofitting to bring public buildings into compliance after they are built.

Your Committee has amended this measure by:

- (1) Clarifying that rather than reporting on each plan reviewed, the Disability and Communication Access Board shall report annually on the number and type of plans reviewed and the fees collected for the reviews from each state or county department or agency; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity and accuracy.

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. 2152, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2152, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2769 Health on H.B. No. 2801**

The purpose of this measure is to appropriate emergency funding to the Hawaii Health Systems Corporation to ensure the continuous delivery of critical health care services and for the payment of the Hawaii Health Systems Corporation's operational costs. This measure also establishes the Big Island Rural Interdisciplinary Program in the East Hawaii region in an effort to bring more physicians, nurses, and pharmacists to the island of Hawaii.

Testimony in support of this measure was submitted by the Hawaii Health Systems Corporation Hilo Medical Center, the Hawaii Health Systems Corporation Kauai Region, and the Hawaii State Rural Health Association. Testimony in support of the intent of this measure with amendments was submitted by the Hawaii Health Systems Corporation. Testimony commenting on this measure was submitted by the Department of Budget and Finance, the Department of the Attorney General, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii Health Systems Corporation is one of the largest health care providers in the nation and that provisions should be taken to ensure that it will continue its operations without interruption should QUEST and QUEST Expanded Access payments to the Corporation be delayed due to the economic crisis.

Your Committee further notes as follows the amounts of money that Hawaii Health Systems Corporation is requesting to maintain uninterrupted services: \$16,397,000 for emergency funding for Hawaii Health Systems Corporation facilities statewide for fiscal year 2009-2010 and \$2,500,000 to serve as emergency funding for the Big Island Rural Interdisciplinary Program to alleviate the physician and health care provider shortage on the island of Hawaii.

Your Committee notes the Attorney General's comment that pursuant to Article VII, section 9 of the Hawaii Constitution, in a session when the Legislature submits a supplemental appropriations bill to the Governor, as in the case this year, appropriations bills not recommended by the Governor for immediate passage or covering legislative expenses cannot pass their final reading prior to the Governor's signing the supplemental appropriations bill. Accordingly, the Attorney General, having been informed that the Governor will not ask for immediate passage of this measure, recommends that this measure must wait until the Governor has signed the supplemental appropriations bill before it may pass final reading.

Your Committee has amended this measure by deferring the effective date of this measure until July 1, 2050 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. 2801, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2801, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2770 Education and Housing on H.B. No. 1853**

The purpose of this measure is to disallow the sale of ice cream and candy by public schools to conform to the State of Hawaii Wellness Guidelines.

Testimony in support of this measure was submitted by one state agency and two private organizations. Testimony in opposition to this measure was submitted by two private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure encourages the health and well-being of Hawaii's children and attempts to correct the inconsistency between the sale of ice cream and candy in public schools and the intent of the State of Hawaii Wellness Guidelines.

Your Committee learned through testimony that the problems intended to be addressed by this measure occur on school campuses and relate to the sale of ice cream and candy not only by public schools but also by other parties. Accordingly, your Committee has amended this measure as follows:

- (1) By adding language to make it unlawful for a public school to permit the sale of certain merchandise, including ice cream and candy, on a school campus, without written permission from the Department of Education, regardless of whether the seller is a public school or not;
- (2) By removing the language that requires the Department of Education to adopt rules for the purposes of section 302A-1146, Hawaii Revised Statutes, relating to the sale of merchandise by public schools; and
- (3) 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 and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1853, 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 (Tsutsui). Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 2771 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 352**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 352 MICHAEL TRESLER, CPA, for a term to expire 6-30-2011

Your Committee received testimony in support of Michael Tresler, CPA, from the Department of Transportation; Hawaii BioEnergy, LLC; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Michael Tresler, CPA, is being nominated to represent Kaua'i on the Commission on Transportation. The nominee has been since 2007 the Senior Vice President of the Grove Farm Company. He also has experience as Director of Finance for the American Heart Association and as Operations Manager for Robert's Hawaii Inc. Previously, he served as the Director of Finance for the County of Kaua'i. Mr. Tresler received a Bachelor's in Business Administration from the University of Hawaii at Manoa, and became a licensed Certified Public Accountant in Hawaii.

Your Committee takes favorable note of the nominee's answers to the Committee's written questions as to what he feels he brings to the Commission: "I believe that my public and private industry experience allows me to bring a balanced perspective to the Commission. In my opinion, tough economic times emphasize the importance of our transportation infrastructure. As such, many economic stimulus projects are DOT projects. Our airports, harbors, and highways are the lifeline to our economy."

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental 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 (Espero, Slom).

**SCRep. 2772 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 316**

Recommending that the Senate advise and consent to the nomination of the following:

LEGACY LAND CONSERVATION COMMISSION

G.M. No. 316 KAIWI NUI YOON, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Kaiwi Nui Yoon to have the necessary qualifications to be appointed to the Legacy Land Conservation Commission.

Testimony in support of Kaiwi Nui Yoon was submitted by two state agencies, two private organizations, and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Kaiwi Nui Yoon is currently Project Coordinator, Office of Hawaiian Affairs, and is responsible for preservation and interpretive development of significant archaeological and cultural resources in North Halawa Valley and the Luluku Discontinuous Archaeological District. In addition to his work at the Office of Hawaiian Affairs, he has also served as the Director of Cultural Affairs for The Festival Companies, Royal Hawaiian Shopping Center, and acted as a liaison with the native Hawaiian community for many years. Mr. Yoon is a graduate of Kamehameha Schools, holds a B.A. in Architecture from the University of Hawai'i at Manoa, and is a native Hawaiian cultural practitioner. He is active in numerous native Hawaiian organizations and the Kamehameha Schools Alumni Association. Mr. Yoon is a reappointment to the Commission, where he has led the Commission and the Legacy Land Conservation Program in incorporating native Hawaiian knowledge and participation into the application process in an appropriate and respectful way, and his reappointment will continue to benefit the Commission and its work.

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, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2773 (Majority) Labor on H.B. No. 2935**

The purpose of this measure is to:

- (1) Make it an unlawful practice for all labor organizations and those employers who have a collective bargaining agreement with their employees and employ one hundred or more employees to, except in cases of sick leave abuse by employees:
  - (A) Bar or discharge an employee from employment;
  - (B) Withhold pay from an employee; or
  - (C) Demote an employee,
 solely because the employee legitimately uses accrued and available sick leave in accordance with the employer's negotiated attendance and sick leave policy; and
- (2) Allow employers and labor organizations to bar or discharge an employee, withhold pay from an employee, or demote an employee, if the employee is unable to fulfill the essential job functions or requirements of the employee's position.

Testimony in support of this measure was submitted by nine private organizations and two individuals. Testimony in opposition of this measure was submitted by three state agencies, one county agency, and seven private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that eliminating the ability of employers to undermine sick leave benefits previously negotiated under collective bargaining with subpar house rules or policies is not fair or just to employees covered by a collective bargaining agreement. Your Committee also finds that requiring the terms of a collective bargaining agreement to prevail in instances of conflict with an employer's rules or policies would be more equitable.

Your Committee has amended this measure by deleting sections 1 and 3, and replacing them with sections 1 and 3 of S.B. No. 2883, S.D. 1. As amended, this measure requires that, as applied to an employers' sick leave benefits, policies, or provisions, the terms of the collective bargaining agreement shall prevail whenever there is a conflict between that agreement and house rules or policies adopted by the employer.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2935, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2935, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.



Ayes, 2. Noes, 1 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 2774 Energy and Environment on H.B. No. 2643**

The purpose of this measure is to establish a clean energy bond program for renewable energy systems and energy efficiency improvements on residential and commercial properties.

Testimony in support of this measure was submitted by one state agency, twenty-three organizations, one city councilmember, and forty-nine individuals. Two county agencies support the intent and one organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The primary obstacle for homeowners to install clean energy systems or pursue energy efficiency projects is the upfront cost. A typical photovoltaic system, after tax incentives, costs approximately \$16,000. Despite expedited permitting, tax incentives, and educational programs, the installation rate of residential clean energy systems is fairly small. This measure implements a Property-Assessed Clean Energy program, ranked by the Harvard Business Review as one of the top ten "Breakthrough Ideas for 2010" and already adopted by sixteen other states. Your Committee finds that Hawaii cannot meet its renewable energy goals without broad residential participation, and that this measure will also spur the creation of new jobs.

Your Committee has amended this measure by:

- (1) Adopting the recommendations of the Department of Business, Economic Development, and Tourism to:
  - (A) Clarify that the loan program relies on general obligation reimbursable bonds for funding;
  - (B) Define property owner;
  - (C) Exclude trade fixtures and non-centralized air conditioning units from the loan program;
  - (D) Clarify that the loan program includes solar hot water systems and small wind systems with a capacity to generate fifty kilowatts of electricity or less;
  - (E) Authorize any moneys received from grants to be deposited into the Hawaii clean energy bond loan revolving fund;
  - (F) Insert the bond amount at \$50,000,000;
  - (G) Exempt the chapter from the requirements of section 39-112, Hawaii Revised Statutes, which prohibits the issuance of general obligation bonds for improvements where the costs are to be assessed against the properties benefited; and
  - (H) Insert the proposed administrative rules to implement this loan program as session law, to be repealed when the Department of Business, Economic Development, and Tourism adopts administrative rules to implement this measure;
- (2) Including a severability clause in the measure;
- (3) Clarifying the clause pertaining to the free exercise of the counties;
- (4) Changing the effective date to July 1, 2010; and
- (5) Making technical, nonsubstantive changes for the purposes of style, consistency, and clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2643, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2643, 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 (Hemmings, Hooser, Kokubun).

**SCRep. 2775 (Majority) Labor on H.B. No. 2257**

The purpose of this measure is to authorize an individual who is:

- (1) Attached to a regular employer who is not offering work;
- (2) Receiving partial unemployment benefits; and
- (3) Exempt from work search and registration for work requirements,

to still receive unemployment insurance benefits even if that individual voluntarily or involuntarily separates from part-time employment, with or without good cause.

Testimony in support of this measure was submitted by two private organizations. Testimony in opposition of this measure was submitted by one state agency and two private organizations. Comments on this measure were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is appropriate and rational to allow an individual who is attached to a regular employer that is not offering work to still receive unemployment insurance benefits if the individual is separated from a part-time employer. Your Committee also finds that allowing an individual to collect unemployment insurance benefits even if the individual separates from part-time employment will encourage unemployed individuals who are attached to a regular employer to seek out other gainful employment opportunities, which consequently would have a positive impact on the economy in this State.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2257, 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, 1 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 2776 (Majority) Labor on H.B. No. 2429**

The purpose of this measure is to:

- (1) Authorize the state executive branch to offer a voluntary severance or a special retirement incentive benefit to state employees who elect to voluntarily separate from service when their positions are identified for abolishment or when they are directly affected by a reduction-in-force or workforce restructuring plan; and
- (2) Extend the option to provide a special retirement incentive benefit to employees under a reduction-in-force or a workforce restructuring plan in other jurisdictions.

Testimony in opposition of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that offering early retirement benefit incentives will not permanently impair the unfunded actuarial accrued liability of the Employees' Retirement System. Your Committee also finds that one-time lump sum cash payments for voluntary severance benefits will not impact a retirant's retirement benefits and it could help to relieve the general fund deficit in the following fiscal year.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2429, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2429, 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 (Slom). Excused, 1 (Taniguchi).

**SCRep. 2777 Economic Development and Technology on H.B. No. 2698**

The purpose of this measure is to:

- (1) Establish the Hawaii Broadband Commission and the Hawaii Broadband Commissioner to promote and maximize the availability of broadband services in the State; and
- (2) Appropriate unspecified funds for the work of the Commission.

Testimony in support of this measure was submitted by the High Technology Development Corporation, TW Telecom, and Oceanic Time Warner Cable. Testimony in opposition was submitted by the Department of Accounting and General Services, Department of Commerce and Consumer Affairs, and AT&T.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, while this measure would contribute to the State's efforts to expand access to broadband services in Hawaii, it would require financial and other resources at a time when services and personnel are being cut statewide.

Your Committee believes a more modest approach is warranted at this time and has replaced the language in this measure with language from S.B. No. 2543, S.D. 2, which was previously heard and approved by your Committee. As amended, this measure:

- (1) Requires the Director of Commerce and Consumer Affairs, in conjunction with expanded digital cable programming and services, to promote and encourage telework;
- (2) Establishes a Telework Promotion and Broadband Assistance Advisory Council;
- (3) Establishes a work group to develop procedures for streamlined permitting functions applicable to development of broadband services or technology;
- (4) Requires the Department of Commerce and Consumer Affairs to report annually to the Legislature on expenditures of federal moneys for broadband facilities, services, equipment, or contracts;
- (5) Adds a findings and purpose section to reflect the above provisions; and
- (6) Changes the effective date from July 1, 2112, to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2698, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2698, 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. 2778 Economic Development and Technology on H.B. No. 2831**

The purpose of this measure is to:

- (1) Authorize the Natural Energy Laboratory of Hawaii Authority (NELHA) to acquire, hold, and sell qualified securities subject to certain conditions; and to accept donations of money, property, and services; and

- (2) Require the NELHA annual report to include information on these matters.

Testimony in support of this measure was submitted by the Natural Energy Laboratory of Hawaii Authority.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that currently, the NELHA statutes do not authorize NELHA to hold equity securities such as stocks, warrants, options, or instruments convertible into equity securities, a provision that NELHA views as necessary in conducting its business activities. Your Committee understands that there have been several past occasions when tenants conveyed equity to NELHA in payment of accounts owed, and NELHA then sold the shares to recoup its expenses. Recently, however, NELHA has been informed by the Department of the Attorney General that since NELHA does not have this statutory authority to hold equity securities, it could be sued if it did accept such securities. This measure will remedy the situation and assist NELHA in meeting its economic goals and obligations.

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

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2831, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2831, 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. 2779 Economic Development and Technology on H.B. No. 2984**

The purpose of this measure is to amend the tax credit provisions of Act 221, Session Laws of Hawaii 2001, by:

- (1) Extending the end date for the tax credit for research activities from December 31, 2010, to December 31, 2011; and
- (2) Repealing the technology infrastructure renovation tax credit and the high technology business investment tax credit.

Testimony in support of this measure was submitted by the Department of Taxation; Hawaii Council of Mayors; Hawaii County Council; The Chamber of Commerce of Hawaii; NovaSol; Concentris Systems LLC; Oceantronics; TeraSys Technologies LLC; Referentia Systems Incorporated; Oceanit; Eyekon Systems LLC; Archinoetics, LLC; and Puko'a Scientific. Testimony in opposition to this measure was submitted by the High Technology Development Corporation; Hawaii Venture Capital Association; SDC Hawaii, LLC; Ho'okele Health Technologies; PacifiCap Group LLC; Island Film Group; and one individual. Comments on this measure were submitted by the Hawaii Science and Technology Council and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure has generated considerable controversy within the technology industry in Hawaii, and engendered the perception that Hawaii is not a "safe" place to invest if the laws governing investment are subject to premature change. Hawaii-based qualified high technology businesses doing research and development need both investments to develop and bring products to market and the financial incentive of a refund on qualified research to support ongoing activities. As a result, repealing the technology infrastructure renovation tax credit and the high technology business investment tax credit will have a two-fold impact.

The Department of Taxation testified that the net revenue gain from this measure is estimated to be \$13,100,000 in fiscal year 2011, with a revenue loss of \$10,600,000 in fiscal year 2012, followed by revenue gains of \$7,500,000 in 2013, and \$3,800,000 in fiscal years 2014 and 2015. In response to questions by your Committee, the Department stated that the estimates are based on historical data of actual credits claimed, as well as other data collected by the Department.

Your Committee has replaced the language in this measure with portions of the language from S.B. No. 2293, which was previously heard and approved by this Committee, and added a requirement that the extension of the tax credit is contingent upon legislative approval of appropriate revenue-generating sources to achieve fiscal neutrality. As amended, this measure:

- (1) Adds a findings and purpose section;
- (2) Deletes the repeal of the technology infrastructure renovation tax credit and the high technology business investment tax credit; and
- (3) Changes the effective date from July 1, 2020, to July 1, 2010; provided that the final senate drafts of either H.B. No. 2877 or H.B. No. 2962, or both, pass final reading by both houses of the Legislature.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2984, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2984, 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; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Hee, Ige).

**SCRep. 2780 Commerce and Consumer Protection on H.B. No. 2132**

The purpose of this measure is to require foreclosing mortgage lenders to formally notify their mortgagors, prior to the initiation of foreclosure proceedings, with written notice of default and the mortgagee's right to foreclose, together with notification to the mortgagor of the availability of counseling through mortgage counseling agencies approved by the United States Department of Housing and Urban Development.

Your Committee received testimony with comments on this measure from the Department of Commerce and Consumer Affairs. Testimony in opposition to the measure was received from the Hawaii Bankers Association, the Hawaii Credit Union League, the Hawaii Financial Services Association, and the Hawaii State Bar Association's Collection Law Section. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that mortgagors whose property is subject to foreclosure should be notified of the availability of mortgage counseling, which may allow the mortgagors to work out repayment plans, consider refinancing options, and obtain financial counseling. Testimony submitted regarding this measure highlighted several areas of concern with this measure, including the location of the proposed new section within chapter 667, Hawaii Revised Statutes, and the possibility that a foreclosure could be void if conditions of notification of the mortgagor are not met. Testimony received by your Committee clearly indicated a preference for a similar measure, S.B. No. 2472, S.D. 2, an earlier version of which was previously heard and approved by the Committee.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language from S.B. No. 2472, S.D. 2, with certain amendments. As amended, the measure provides as follows:

- (1) The provisions of the measure shall apply to power of sale foreclosure proceedings under part I of chapter 667, Hawaii Revised Statutes, for mortgaged property where the mortgagee is an owner-occupant of the property;
- (2) A foreclosing mortgagee must provide a consumer who is an owner-occupant of a mortgaged property that is subject to foreclosure a written notice of the availability of credit counseling no later than thirty days prior to initiating any power of sale foreclosure under section 667-5, Hawaii Revised Statutes;
- (3) The notice must be sent by mail to the address of the mortgaged property or to the address designated by the mortgagor, return receipt requested;
- (4) If a mortgagor, who is a consumer and an owner-occupant of a mortgaged property, requests in writing a copy of the promissory note and mortgage document, then the mortgagee may not initiate foreclosure proceedings until the mortgagee has sent those copies to the mortgagor; and
- (5) At any power of sale foreclosure of a mortgaged property that is owned and occupied by the mortgagor who is a consumer, a public sale price of seventy per cent of the fair market value of the mortgaged property shall be fair and reasonable.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2132, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2132, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Ige, Sakamoto).

**SCRep. 2781 Commerce and Consumer Protection on H.B. No. 2354**

The purpose of this measure is to prevent individuals, entities, and insurers from failing to cooperate with the Department of Commerce and Consumer Affairs' insurance fraud investigations.

This measure also precludes individuals who do not cooperate with the Department's investigations and prosecutions from collecting proceeds or restitution resulting from the investigations and prosecutions.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, the American Council of Life Insurers, and State Farm Insurance Companies. Testimony in support of the intent of this measure with amendments was submitted by the Hawaii Association for Justice. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that insurance fraud is a national problem, with fraudulent or abusive claims costing the healthcare industry alone from \$125 billion to \$175 billion annually. This measure, patterned after Section 9 of the National Conference of Insurance Legislators' Insurance Fraud Model Act, will strengthen existing insurance fraud provisions and improve the Department of Commerce and Consumer Affairs' ability to investigate insurance fraud.

Your Committee has amended this measure by:

- (1) Removing immunity for a person who falsely and maliciously accuses another person of insurance fraud; and
- (2) Making this measure effective on July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2354, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2354, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 2782 (Joint) Commerce and Consumer Protection and Energy and Environment on H.B. No. 2631**

The purpose of this measure is to repeal the Petroleum Industry Monitoring, Analysis, and Reporting Program and its special fund and to reduce the quantity of information that refiners and distributors are required to report to the Department of Business, Economic Development, and Tourism.

Your Committees received testimony supporting and commenting on this measure from the Public Utilities Commission, Department of Budget and Finance. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the Petroleum Industry Monitoring, Analysis, and Reporting Program has been in place since 2007. During that time, the Hawaii petroleum market has been shown to be reasonably competitive and there has been no evidence of any economic misbehavior. Your Committees further find that since the Petroleum Industry Monitoring, Analysis, and Reporting Program has served its purpose in evaluating the Hawaii petroleum industry and because it is extremely time consuming and onerous for both the Public Utilities Commission and the petroleum industry reporting entities, it is time to repeal it.

However, your Committees find that maintaining the requirements for refiners and distributors to report on fuel imported, exported, transferred, used, refined, manufactured, compounded, and distributed in the State is in the public interest. Your Committees further find that these requirements will be equally effective in a condensed form and should include information about biofuels.

Your Committees have amended this measure by:

- (1) Including biofuels in the list of fuels that all refiners and distributors report on monthly to the Department of Business, Economic Development, and Tourism;
- (2) Making this measure effective on July 1, 2010; and
- (3) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2631, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2631, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Government Operations and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Hooser, Ige, Kokubun, Sakamoto).

**SCRep. 2783 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 1684**

The purpose of this measure is to establish and revise the penalties for the intentional introduction and spread of invasive species.

Specifically, this measure:

- (1) Changes a violation of the importation of live organism requirements, as codified in section 150A-5, Hawaii Revised Statutes, from a civil penalty to a petty misdemeanor, and reduces the minimum and maximum fines;
- (2) Establishes the intentional introduction and spread of invasive pests, as designated by statute or rule, as a class C felony; and
- (3) Expands the "intent to propagate" presumption to include pests designated by statute or rule.

Testimony in support of this measure was submitted by two state agencies, three organizations, and one individual. One organization supports the intent. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaiian Islands make up less than 0.2 per cent of the land area of the United States, but support more than thirty per cent of the nation's species listed under the Endangered Species Act. Our islands have suffered the highest rates of extinction of any area in the United States, and one of the highest rates anywhere in the world. The primary agent of this loss of native biodiversity has been the massive introduction by humans of alien species to the Hawaiian Islands. Your Committee finds that greater penalties for the intentional introduction and spread of invasive species will serve as a deterrent to future violators.

Your Committee has amended this measure by:

- (1) Adopting the recommendations of the Department of Agriculture to clarify the parameters of the intentional introduction and spread of pests; and
- (2) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 1684, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1684, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Takamine, Tokuda).

**SCRep. 2784 (Joint) Commerce and Consumer Protection and Public Safety and Military Affairs on H.B. No. 2092**

The purpose of this measure is to establish the Reduced Ignition Propensity Cigarettes Program Special Fund and to authorize the establishment of staff positions for the State Fire Council in order for the Council to accomplish its duties and responsibilities stemming from the reduced ignition propensity cigarettes law already in effect.

Your Committees received testimony in support of this measure from the Coalition for a Tobacco-Free Hawaii. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. Your Committees received testimony in support of the intent of this measure with amendments from the State Fire Council, the Honolulu Fire Department, the County of Hawaii Fire Department, and the County of Maui Department of Fire and Public Safety. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that establishing the Reduced Ignition Propensity Cigarettes Program Special Fund will help to ensure thorough and appropriate implementation and enforcement of the reduced ignition propensity cigarettes law by the State Fire Council.

Since September 2009, a total of \$259,500 has been collected for the State Fire Council's use. These moneys are used to fund the various administrative functions of the State Fire Council. These functions include adopting administrative rules for program implementation, establishing compliance inspections, approving forms and enforcement procedures and guidelines, receiving, verifying, and approving certification for approximately six hundred different brands of cigarettes, compiling a list of the approved brands and confirming it with the Department of the Attorney General for state tax stamp compliance, posting the list of approved brands on a state website, reviewing and approving any alternative test methods or fire standard compliance markings submitted by a cigarette manufacturer, and submitting compliance tests to an accredited lab to verify that performance standards have been met. Currently, the State Fire Council has only one part time staff employee who is tasked with not only the administrative workload from the reduced ignition propensity cigarette law but with other State Fire Council responsibilities as well. The \$259,000 collected in fees to date, averaging out to \$86,000 collected per year, would be sufficient to cover the salary and benefits for one full time staff member to attend to the workload stemming from the reduced ignition propensity cigarette law, as summarized above.

As received by your Committees, this measure requires unencumbered and unexpended moneys in the Reduced Ignition Propensity Cigarettes Program Special Fund to lapse to the general fund on a yearly basis. However, the fees financing the fund are only collected every three years. Accordingly, if lapsing occurs on a yearly basis, during the second and third years of the three year funding cycle, the fund will not have sufficient capital to cover operational costs and to continue paying the salary and benefits of the full time workers needed to carry out the fund's administrative functions.

Therefore, your Committees have amended this measure by:

- (1) Requiring Reduced Ignition Propensity Cigarettes Program Special Fund moneys to lapse to the general fund at the close of June 30 every third year, starting June 30, 2013, as opposed to every year;
- (2) Exempting \$150,000 from lapsing from the Reduced Ignition Propensity Cigarettes Program Special Fund to the general fund to ensure coverage of operational costs until the Special Fund is re-funded;
- (3) Appropriating \$150,000 for fiscal year 2010-2011 for the positions established by this measure; and
- (4) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2092, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2092, 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, 5 (English, Gabbard, Hemmings, Ihara, Sakamoto).

**SCRep. 2785 (Joint) Public Safety and Military Affairs and Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 1818**

The purpose of this measure is to require the Department of Public Safety to:

- (1) Ensure that reentry/reintegration programs within Hawaii's correctional facilities offer cognitive behavioral therapy with native Hawaiian holistic interventions to address domestic violence, addictions, self-mastery through identity, and community connections to promote the successful transition from incarceration to the community;
- (2) Implement this measure with all new contracts for reentry/reintegration programs upon approval of this Act; and
- (3) Submit an annual report to the Legislature on these programs in Hawaii's correctional facilities no later than twenty days prior to the convening of each regular session, beginning with the Regular Session of 2011.

Your Committees received testimony in support of this measure from five private entities and four individuals. Testimony in opposition was received from two state departments and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that a promising approach to reducing recidivism and helping inmates make the successful transition from prison to the community is cognitive restructuring and transition programs provided at correctional facilities. The programs assist offenders in restructuring their thought processes and teach cognitive skills that help with basic decision-making and problem-solving. When combined with strategies that help native Hawaiian inmates get back in touch with the values of their culture, cognitive rehabilitation can help break the vicious cycle of crime and punishment, as knowledge of native Hawaiian traditions and cultural values have helped many cope with social challenges.

Your Committees have amended this measure by:

- (1) Allowing the Department of Public Safety to offer cognitive behavioral therapy programs, rather than requiring the Department to do so, on the recommendation of the State Attorney General;
- (2) Deleting reference to "native Hawaiian holistic" and substituting "cultural and other interventions," on the recommendation of the State Attorney General;
- (3) Changing the effective date to upon approval; and
- (4) Making a technical, nonsubstantive amendment.



As affirmed by the records of votes of the members of your Committees on Public Safety 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. 1818, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1818, 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. Noes, none. Excused, 2 (Hemmings, Tokuda).

**SCRep. 2786 (Majority) Judiciary and Government Operations on H.B. No. 2595**

The purpose of this measure is to strengthen the general excise tax by:

- (1) Precluding a taxpayer from using a general excise tax benefit, including exemptions, deductions, lower rates, or income splitting, unless the taxpayer follows all administrative requirements;
- (2) Creating trust fund liability for revenues collected by a business as a tax recovery, whether such amount is separately stated or not; and
- (3) Making a person who is an officer, member, manager, or other person having control, supervision, responsibility, or a duty to act for the taxpayer regarding general excise tax return filing or payment, personally liable for the unpaid amount of such taxes, plus interest and penalties.

Testimony in support of the measure, with suggested amendments, was submitted by the Department of Taxation. Testimony in opposition to the measure was submitted by three private organizations and four individuals. Comments with suggested amendments were submitted by the Hawaii Association of Realtors. Comments were also submitted by three other private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there are many general excise tax benefits, including exemptions, reduced rates, and income splitting. A majority of these benefits allow businesses that are otherwise very profitable to avoid paying general excise tax altogether. Because these businesses do not pay this tax, they often do not register to do business in Hawaii or file tax returns. This makes it difficult for the Department of Taxation to gather information regarding which businesses are claiming these tax benefits and to ensure that businesses are properly allowed such benefits. Additionally, by imposing a constructive trust for businesses that collect an additional amount from consumers to cover these general excise taxes and then never file returns or pay these taxes to the State, this measure is intended to protect consumers from prices that are increased on the pretext that the additional amount will be remitted to the State.

Your Committee notes that the Department of Taxation suggested amendments to the measure to limit the impact of the measure on unintended taxpayers, including small nonprofit organizations, wage earners, and others that are not exposed to the general excise tax as a regular matter. Additionally, the Hawaii Association of Realtors suggested amendments to address existing general excise and use tax exemptions for certified or approved housing projects in order to assure that these tax exemptions are effectively accounted for and enforced.

Your Committee has amended this measure by:

- (1) Revising the provision that would preclude a taxpayer from using a general excise tax benefit unless the taxpayer follows all administrative requirements to exempt certain unintended taxpayers from the provision, as suggested by the Department of Taxation;
- (2) Amending section 46-15.1, Hawaii Revised Statutes, relating to county housing projects, to be consistent with sections 237-29 and 238-3(j), Hawaii Revised Statutes, relating to exemptions for housing projects, as suggested by the Hawaii Association of Realtors;
- (3) Amending section 237-29, Hawaii Revised Statutes, to require the Department of Taxation to conduct periodic reviews of all housing projects for which a claimant has received a general excise tax exemption, as suggested by the Hawaii Association of Realtors;
- (4) Inserting an effective date of September 14, 2047 to ensure further discussion of this measure; and
- (5) Making technical, nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2595, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2595, 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 (Bunda, Nishihara). Noes, 1 (Slom). Excused, 1 (Gabbard).

**SCRep. 2787 Judiciary and Government Operations on H.B. No. 1901**

The purpose of this measure is to provide for an alternative procurement process for the procurement of voting system equipment.

Testimony in support of the measure was submitted by two state agencies. Testimony in opposition to the measure was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there are a limited number of potential vendors in Hawaii who supply voting system equipment, and the competition between vendors can be intense. The criteria used to evaluate voting system equipment are necessarily objective, and the qualitative nature of the voting experience must be balanced against the price of the equipment. Because of the competition within the market and the evaluation criteria, procurement protests and appeals have been frequently used by disappointed vendors who contend that their proposals should have received a higher score and received the contract. Under the existing procurement process, a protest



can be filed for any reason, and, when one is filed, the entire process is stalled until resolved by an administrative hearings officer and can be further delayed by an appeal to the courts. This type of delay could impede the State's ability to hold an election.

Your Committee finds that this measure creates an alternative procurement process for voting system equipment that is intended to allow the procurement of this equipment to be both fair to potential vendors and timely for the State's planning and implementation of elections.

Your Committee has amended this measure by:

- (1) Clarifying the ranking process if fewer than three offers are received;
- (2) Deleting section 1 of the measure, relating to the purpose of the measure; and
- (3) Making technical, nonsubstantive changes for purposes of consistency, style, and clarification.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1901, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1901, 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 (Slom). Noes, none. Excused, 1 (Gabbard).

**SCRep. 2788 (Joint) Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2441**

The purpose of this measure is to establish a thirty-day deadline under the Hawaii Public Procurement Code to award contracts for projects of the Department of Hawaiian Home Lands, Department of Transportation, county boards of water supply, and county departments of housing, planning and permitting, and transportation.

Your Committees received testimony in support of this measure from the Hawaii Building and Trades Council, AFL-CIO; The Pacific Resource Partnership; General Contractors Association of Hawaii; Hawaii Laborers' Union; and the Land Use Research Foundation of Hawaii. Testimony in opposition was received from the State Procurement Office, the County of Hawaii and the County of Maui. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure is recommended by the Task Force established pursuant to Senate Concurrent Resolution No. 132, S.D. 1, 2009, to determine the economic contributions of the construction industry in Hawaii, and to develop, propose, and recommend any state actions to preserve and create new jobs in the construction industry. Your Committees defer to the Committee on Judiciary and Government Operations, having jurisdiction over procurement matters, to consider the Task Force's recommendation.

Your Committees have amended this measure by deleting its contents and inserting a provision to exempt gifts to the State from the Hawaii Public Procurement Code, to take effect upon the measure's approval.

Your Committees find that in this period of economic downturn, the State is best served by allowing donations of material, labor, equipment, or other appropriate objects of donations to be made to the State without going through the procurement process. Your Committees further find that maintenance of donated equipment is distinct from the obtaining of the equipment in the first instance. Your Committees believe that any intangible "payment" realized by the donor, such as in the form of publicity, is too amorphous to be calculated with any certainty. Furthermore, any publicity would inspire other potential donors to do likewise. Your Committees note that a state department or agency is not required to accept a gift under this measure.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental 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. 2441, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2441, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 8; Ayes with Reservations (Bunda, Fukunaga, Hee, Kokubun). Noes, none. Excused, 4 (Hemmings, Slom, Takamine, Tokuda).

**SCRep. 2789 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2503**

The purpose of this measure is to authorize an expansion of the permissible uses of the pesticide use revolving fund by removing the requirement that personnel costs from the fund be used only for employees in the Registration and Education section of the Pesticide Branch of the Department of Agriculture.

Testimony in support of the measure was submitted by one state agency and one organization. One organization supports the intent. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Compliance monitoring surveillance is an integral part of ensuring public safety and environmental protection relating to pesticide use. Conducting actual use inspections of agricultural and non-agricultural entities and compliance monitoring inspections in the marketplace and at the ports of entry are key components for effectively preventing violations and post-use complaints. Your Committee finds that authorizing the Department of Agriculture to use the pesticide use revolving fund to fund compliance monitoring personnel will provide the flexibility necessary to maintain services. However, your Committee understands the concerns raised by the Hawaii Pest Control Association, that education for pesticide users and distributors is another integral component of preventing violations. Thus, your Committee finds that this measure should be repealed in five years so that the funds may again be used to provide educational opportunities for pesticide users.

Your Committee has amended this measure by:

- (1) Repealing the measure on June 30, 2015; 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 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. 2503, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2503, 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 (Fukunaga, Hemmings, Tokuda).

**SCRep. 2790 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2290**

The purpose of this measure is to promote and support agriculture.

Specifically, this measure:

- (1) Establishes the agriculture inspection and certification special fund;
- (2) Transmits certain fees, civil penalties, and moneys collected by the Department of Agriculture for inspection and certification services to the agriculture inspection and certification special fund;
- (3) Allows the Department to enter into agreements with government and private agencies to hire inspectors;
- (4) Transfers all moneys and unpaid obligations of the certification services revolving fund to the agriculture inspection and certification special fund; and
- (5) Repeals the certification services revolving fund.

Testimony in support of this measure was submitted by one state agency and six organizations. One organization supports the intent and one state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Department of Agriculture suffered the greatest loss of any state department as a result of the furloughs and the reduction in force. Your Committee understands that this measure is intended to move the Department of Agriculture's inspection and certification services to a fee for service structure. However, your Committee is concerned about making drastic, fundamental changes to the structure of the Department of Agriculture's inspection and certification services. Furthermore, your Committee believes that maintaining prime agricultural land on Oahu is essential to the support of the agricultural industry and the Department of Agriculture.

Your Committee finds that the inventory of agricultural land within the State is predetermined and once the land is developed, it can never be used for agriculture again. Prime agricultural land is vital to the State and should be protected and preserved, and yet the prime agricultural land on Oahu is declining rapidly due to the construction of housing and other projects. With projects scheduled to be built on prime agricultural lands in Mokuleia, Kahuku, and the Ewa plain, the need to protect and preserve the State's fertile agricultural lands is critical.

Accordingly, your Committee has amended this measure by replacing its contents with S.B. No. 2780, S.D. 2, which was previously heard and adopted by your Committee. As amended, this measure protects agricultural lands rated class A or B and provides for the mandatory extension of certain agricultural leases. Your Committee finds that this will ensure that prime agricultural land on Oahu will be afforded due preference to recognize and support ongoing farming 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 H.B. No. 2290, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2290, 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 (Hemmings, Takamine, Tokuda).

**SCRep. 2791 (Joint) Human Services and Health on H.B. No. 2085**

The purpose of this measure is to help ensure the continuity of care for Hawaii's neediest population by restricting the Department of Human Services from issuing requests for proposals for QUEST health plan contracts:

- (1) With a contract price over \$100,000,000, and
- (2) With a commencement date that is after the expiration of the term of office of the head of the purchasing agency.

Testimony in support of this measure was submitted by Hawaii Medical Service Association, Faith Action for Community Equity, the Waianae Coast Comprehensive Health Center, the Hawai'i Primary Care Association, and AlohaCare. Testimony in opposition to this measure was submitted by the Department of Human Services. Comments on this measure were submitted by Ohana Health Plan. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that there are a number of changes in the future for both Medicaid and the Department of Human Services, such as federal guideline changes for Medicaid, a soon-to-be changing executive branch administration, and the moving of behavioral health clients to the Department of Health. Furthermore, given the current budgetary situation, where numerous state programs are being cut or dramatically scaled back and the Department of Human Services is not only delaying payment to QUEST participating plans but engaged in departmental restructuring, departmental expenditures must be scrutinized. In this regard, the

request for proposal process can be costly and time-consuming. In a time of changing circumstances, this measure will provide stability for the State, the providers presently under contract in the QUEST health care plans, and the vulnerable population served by these plans. This measure will also afford the new state executive administration that will take office in 2011, with the opportunity to develop its own priorities and goals regarding the QUEST health plans.

Your Committees have made technical, nonsubstantive stylistic changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2085, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2085, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2792 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2583**

The purpose of this measure is to clarify that all costs and expenses associated with the disposal of an impounded unauthorized vessel by the Department of Land and Natural Resources shall be borne by the vessel owner.

Testimony in support of the measure was submitted by one state agency and one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Currently, section 200-16, Hawaii Revised Statutes, as interpreted by the Hawaii Supreme Court in *Brown v. Thompson* places the burden, along with the costs and expenses of disposal of all impounded unauthorized vessels, on the Department of Land and Natural Resources when the vessel owner does not repossess the impounded vessel prior to disposition. 91 Hawaii 1 (1999). This ruling also prevents the Department from recovering mooring fees incurred by the vessel owner during the impoundment. Your Committee finds that this measure will clarify that the vessel owner should be responsible for absorbing the costs and expenses related to the disposition of impounded unauthorized vessels within small boat harbors and for all mooring fees incurred prior to impoundment.

It has been alleged that shark tours, the practice of charging customers to venture into the ocean to view sharks, feed sharks and use attractants to attract and hold many sharks near their operational sites. This practice is prohibited and illegal. A recent study concluded that illegal shark feeding by the tour operators has caused larger sharks, specifically the Galapagos and Tiger sharks, to displace the smaller sharks from the cage diving sites. Ocean users near the shark feeding sites have reported increased sightings of, and interactions with sharks since illegal shark feeding began. The illegal use of food and other attractants by commercial shark tour operators raises concerns over the health, safety, and welfare of ocean users and is disruptive to the ocean's ecology and natural environment. Enforcement of illegal shark feeding has been minimal, and your Committee believes increased civil penalties for shark feeding need to be implemented to deter this practice.

Your Committee has amended this measure by:

- (1) Establishing civil penalties for shark feeding, including seizure and forfeiture of any commercial marine license, vessel, and fishing equipment, and administrative fines; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity.

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. 2583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2583, 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 (Hemmings, Takamine, Tokuda).

**SCRep. 2793 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2582**

The purpose of this measure is to authorize moorage for commercial vessels and commercial vessel activities in the Ala Wai and Keehi boat harbors and adjust fees for permittees of vessels that are used for a place of principal habitation in state small boat harbors.

Testimony in support of the measure was submitted by one state agency and three individuals. Testimony in opposition was submitted by two organizations and sixty-one individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee understands that the purpose of this measure is to increase revenues to support the operations and maintenance of Ala Wai and Keehi boat harbors. However, your Committee is concerned that opening up these boat harbors to commercial vessels and commercial vessel activities may not generate the anticipated additional revenue. The Kewalo boat harbor, which is located near the Ala Wai boat harbor, is dedicated for commercial vessels and presently has empty slips. Additionally, it is clear from the testimony that the Ala Wai boat harbor is used frequently and extensively by paddlers, surfers, junior sailors, divers, and other ocean users. The increased traffic of commercial vessels is a serious safety concern for these ocean users. Your Committee finds that the Department of Land and Natural Resources is presently contacting potential renters for the one hundred and fifty available slips in the Ala Wai boat harbor, and that this may sufficiently increase revenues to support the operations and maintenance. Your Committee further finds that the Department of Land and Natural Resources needs the flexibility to adjust fees through administrative rules, rather than having the fees set in statute.

Your Committee has amended this measure by:

- (1) Removing the provision permitting commercial vessels and commercial vessel activities at Ala Wai and Keehi boat harbors; and

- (2) Making technical, nonsubstantive changes for the purposes of consistency and clarity.

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. 2582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2582, 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 (Fukunaga). Noes, none. Excused, 2 (Hemmings, Tokuda).

**SCRep. 2794 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2775**

The purpose of this measure is to:

- (1) Establish fees for the review and processing of permits and other requests for the importation or possession of plants, animals, or microorganisms into the State in order to provide stable funding for the Department of Agriculture's permit specialists and additional resources to allow appropriate review of import requests and more timely processing of permits and related authorizations; and
- (2) Repeal the permit revolving fund.

Your Committee received testimony in support of this measure from one state department, one university entity, and three private entities. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The safe introduction of plants, non-domestic animals (such as fish, birds, amphibians, and insects), microorganisms, (such as algae, bacteria, fungi, protozoa, and viruses), and soil is managed by the Department of Agriculture. The Department charges user fees for the processing and issuance of permits, as well as for issuance of a letter of authorization for certain types of microorganisms or the registration of microbial products.

Your Committee finds that this measure expands the assessment of a user fee to include plants as well as any request for a permit for plants, animals, or microorganisms that require a rule change or a change in the listing of an organism for importation or possession. The fees under this measure will provide additional funding to support the Department in evaluating import requests based upon available information on the organism, its intended use, and the existence of adequate safeguards and protocols to prevent escape or theft of the allowed species. The fees will be deposited into the pest inspection, quarantine, and eradication fund rather than the pest revolving fund.

Your Committee has amended this measure by:

- (1) Making clarifying amendments to this measure on the recommendation of the Department, including the inclusion of soil analysis and transfers within the State;
- (2) Adding a transition provision relating to deposit of fees into the pest inspection, quarantine, and eradication fund, on the recommendation of the Department; and
- (3) Making technical, nonsubstantive amendments.

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. 2775, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2775, 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 (Hemmings, Takamine, Tokuda).

**SCRep. 2795 (Joint) Economic Development and Technology and Commerce and Consumer Protection on H.B. No. 1926**

The purpose of this measure is to:

- (1) Establish a Department of Business, Economic Development, and Tourism operation special fund for the operations of the Department;
- (2) Impose a surcharge on certain business- and commerce-related fees to be deposited into the special fund; and
- (3) Require the surcharge revenues and \$2,000,000 from the compliance resolution fund of the Department of Commerce and Consumer Affairs to be deposited into the special fund.

Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; General Contractors Association of Hawaii; American Council of Life Insurers; Hawai'i Association of REALTORS; Maui Chamber of Commerce; Marriott Maui Ocean Club Resort; Maui Vacation Properties; Recycled Bikes and Boards and four individuals. Comments for this measure were submitted by the Department of Budget and Finance, The Chamber of Commerce of Hawaii, Tax Foundation of Hawaii, and Integrated Economic Solutions, LLC.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees have heard a number of concerns regarding this measure, ranging from revenue impacts, the inequity of a fixed surcharge on fees that vary greatly in amount, and the lack of a nexus between the type of fee and the work of the Department of Business, Economic Development, and Tourism.

Your Committees have replaced the language in this measure with language from S.B. No. 2144, S.D. 2, and S.B. No. 2145, S.D. 1, which were previously heard and approved by your Committees. As amended, this measure:

- (1) Transfers the television and film industry activities and responsibilities and special fund under the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority and establishes the Hawaii Film Office under the authority; authorizes the Hawaii Film Office to administer the tax credits under section 235-17, Hawaii Revised Statutes; and deletes unnecessary provisions (Part I);
- (2) Amends the Hawaii Community-Based Economic Development Revolving Fund uses to require that moneys in the revolving fund be used to fund the Community-Based Economic Development Program and Enterprise Zone Program operational and staff costs (Part II);
- (3) Transfers the Small Business Regulatory Review Board from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs; authorizes the Board to employ and set the salary of a small business advocate; and authorizes the expenses of the Board to be funded from the Compliance Resolution Fund, while allowing the Department flexibility in implementing this provision (Part III); and
- (4) Changes the effective date from July 1, 2020, to July 1, 2010.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1926, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1926, 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; Ayes with Reservations (Slom). Noes, none. Excused, 4 (Hee, Hemmings, Ige, Sakamoto).

**SCRep. 2796 (Joint) Economic Development and Technology and Higher Education on H.B. No. 2382**

The purpose of this measure is to encourage further expansion of Hawaii's digital media industry by:

- (1) Establishing digital media enterprise subzones as unspecified geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones;
- (2) Establishing tax benefits for digital media infrastructure development and operation and local workforce employment;
- (3) Authorizing insurance companies to invest in qualified digital media infrastructure projects in lieu of paying certain state taxes; and
- (4) Renaming and amending the Hawaii television and film development special fund to the Hawaii film office special fund.

Testimony in support of this measure was submitted by the University of Hawai'i System; Local 665, International Alliance of Theatrical and Stage Employees; Building Industry Association Hawaii; Hawaii Developers' Council; Hawaii Animation Studios; Home Baked Entertainment; Castle and Cooke Hawai'i; SHM Partners; and three individuals. Testimony in opposition of this measure was submitted by the Department of Taxation. Comments for this measure were submitted by the Department of Business, Economic Development, and Tourism.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will provide significant incentives for private investment to develop a digital media industry in Hawaii. In addition, providing incentives around the University of Hawaii campuses leverages the public funds invested to expand the knowledge-based digital media industry in Hawaii, and the successful digital media programs already in place in Hawaii's schools and University of Hawai'i.

The Department of Taxation has raised concerns about the potential for "double-dipping" with respect to existing provisions for royalties that are based on original work created by local musicians, entertainers, or film and media filmmakers, writers, and their cast members. However, your Committees believe that the differences between traditional film and entertainment media and animation and special effects industries will ultimately show that this concern is unfounded.

The incentives proposed in this legislation – digital media workforce credits (based on successful Canadian digital media workforce development incentives at the provincial, regional, and city level) and digital media infrastructure credits (based on Michigan infrastructure tax credits that have since helped quadruple film and digital media production work in that state) - are similar to Hawaii's Act 88, Session Laws of Hawaii 2006, film and digital media production credits in that the tax revenue loss is lower than the total amount of new tax revenue gains from increased production activity in the State of Hawaii and total number of jobs created.

Act 88 credits - and the new workforce and infrastructure credits established in this measure - require job creation, infrastructure investments, and production taking place first, before certification and award of the credits. The costs and benefits of these credits can be quantified and measured every year in terms of their economic stimulus value. As such, your Committees believe that the digital media workforce and infrastructure credits complement the University of Hawai'i System's role in building a strong pipeline of workforce talent to stimulate long-term economic growth for this state. As pointed out by one of the testifiers on H.B. No. 2382, H.D. 1:

I want to share with you my situation as just one example of the situation the upcoming generation is facing. I was born and raised on Maui, where I progressed through the Hawaii Public School System. ... The sad state of affairs is that, out of [the] entire pool of our best and brightest of around 100 students, the number who remained in Hawaii, or, to my knowledge, have plans to return to Hawaii after college can be counted on one of my hands.



I stayed in Hawaii because I became aware of the Academy for Creative Media (ACM) at the University of Hawai'i at Manoa ... ACM has a very [healthy] community of young filmmakers and digital media students who wish to see Hawaii become an international player for film and digital media. This has already been expressed by the creation of local companies founded by ACM graduates like Blue Water Multimedia, Hdology, Realspace and Enlight as well as student enthusiasm for the opportunities supplied by Hawaii Animation Studios and Avatar Reality.

...

Right now we have this powerful, talented, local workforce being built, but it won't remain here if there is no future for growth. I know this because I will not stay here. I will have little choice but to follow in my friends' footsteps in [our] exodus [from] Hawaii.

Your Committees have replaced the language in this measure with language from S.B. No. 2355, S.D. 1, which was previously heard and approved by your Committees. As amended, this measure:

- (1) Amends the definition of "Hawaii resident" to mean any person residing in Hawaii and who has paid Hawaii general excise taxes within the prior six months or Hawaii income taxes in the last calendar year;
- (2) Adds fees collected for processing taxpayer letters pursuant to section 235-17, Hawaii Revised Statutes, and deletes fees and penalties collected pursuant to section 209E-B, Hawaii Revised Statutes, from deposits to the Hawaii Film Office Special Fund;
- (3) Changes the effective date from July 1, 2012, to July 1, 2020, with a ten-year sunset date, for the purposes of further discussion; and
- (4) Makes numerous technical amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2382, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2382, 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, 5 (Hee, Ige, Sakamoto, Takamine, Taniguchi).

**SCRep. 2797 (Joint) Education and Housing and Human Services on H.B. No. 2568**

The purpose of this measure is to reduce the quorum requirement for the Board of Directors of the Hawaii Public Housing Authority.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure aligns the quorum requirement of the Board of Directors of the Hawaii Public Housing Authority with the quorum requirements of other state boards that require only a majority of all members to which the board is entitled. Your Committees find that the Board's current quorum requirement becomes especially problematic near the end of meetings when a member needs to leave, hampering the Board's ability to take action. Amending the quorum requirement allows the Board to conduct its business in a timelier manner.

Your Committees have 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 Education and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2568, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2568, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2798 Education and Housing on H.B. No. 2306**

The purpose of this measure is to adjust the salary caps of the Superintendent of Education and the State Librarian.

Testimony in support of this measure was submitted by one state agency, and testimony in support of the intent of this measure was submitted by one state agency. Testimony in opposition to this measure was submitted by the Governor's office. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would provide the Board of Education with greater flexibility in attracting strong candidates and determining salaries for the Superintendent of Education and State Librarian positions.

However, your Committee has concerns with merely increasing the salary cap of each position and has amended this measure as follows:

- (1) By removing amendments that changed the salary caps for the Superintendent of Education and the State Librarian;
- (2) By authorizing the Board of Education to grant annual performance-based bonuses up to an amount equivalent to fifty percent of the Superintendent of Education's annual salary and twenty-five percent of the State Librarian's annual salary, which would provide the Board of Education with increased flexibility to recruit candidates and increased accountability for each position;



- (3) By requiring the annual performance-based bonus for the Superintendent of Education to be based on evaluation criteria to be determined by the Board of Education that include but are not limited to outcomes in the principal, teacher, student, test score, and community relations categories;
- (4) By requiring the annual performance-based bonus for the State Librarian to be based on an annual evaluation of outcomes to be established through contract negotiations between the Board of Education and the State Librarian; and
- (5) By 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2306, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2306, 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 (Chun Oakland, Hemmings).

**SCRep. 2799 (Joint/Majority) Education and Housing and Labor on H.B. No. 1287**

The purpose of this measure is to extend the enabling law for voluntary employees' beneficiary association trusts from July 1, 2010, to December 31, 2010, to allow for a smoother transition to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) and to appropriate funds for EUTF staff to assist with the transition and other duties of the EUTF.

Testimony in support of this measure was submitted by one state agency, one county agency, one private organization, and one individual. Testimony in support of the intent of this measure was submitted by one state agency and two individuals. Testimony in opposition to this measure was submitted by one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The EUTF has encountered difficulties in performing its duties due to staff shortages and, more recently, the retirement of its Administrator. Your Committees find that allowing the beneficiaries of voluntary employees' beneficiary association (VEBA) trusts to transition back into the EUTF under these circumstances could precipitate further confusion, delays, errors, and other negative impacts. It is also unclear at this point what the exact impact on the EUTF, the Hawaii State Teachers Association (the only employee organization that has established a VEBA trust since the enactment of Act 245, Session Laws of Hawaii 2005, which authorized the establishment of voluntary employees' beneficiary association trusts in the State), and their respective beneficiaries will be when the VEBA is transitioned back into EUTF.

For the above reasons, your Committees have amended this measure as follows:

- (1) By extending the sunset date for the VEBA trust from July 1, 2010, to July 1, 2012, to provide the EUTF with additional time to ensure a smooth transition of the VEBA trust beneficiaries to EUTF;
- (2) By removing the language that establishes and appropriates funds for five temporary positions for the EUTF since the extension of the VEBA trust by two years should provide ample time for EUTF employees to perform the necessary tasks to ensure a smooth transition; and
- (3) By making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1287, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1287, 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, 1 (Slom). Excused, 4 (Bunda, Chun Oakland, Hee, Hemmings).

**SCRep. 2800 (Joint/Majority) Labor and Commerce and Consumer Protection on H.B. No. 2897**

The purpose of this measure is to subject a contractor to revocation, suspension, or nonrenewal of the contractor's license for knowingly or intentionally employing a person on any project or operation who is not eligible to work in the United States under federal law, rather than limiting the revocation, suspension, or nonrenewal to contracts that are subject to chapter 104, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by four private organizations. Testimony in opposition of this measure was submitted by two private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that under the current economic climate it is imperative that persons who are eligible to work in the United States under federal law be afforded every opportunity to secure and retain gainful employment in this State rather than allowing contractors to use illegal labor to fill vacant jobs. Your Committees also find that the potential penalties against contractors identified in this measure should be delicately balanced against the likelihood of a contractor losing the ability to engage in its craft, as well as the concerns raised by the Hawaii Civil Rights Commission relating to the potential for discrimination against workers who are eligible to work in the United States under federal law but who may appear to be ineligible due to their physical appearance.

Your Committees have amended this measure by:

- (1) Changing the effective date to upon approval; and
- (2) Including a repeal and reenactment provision that makes this measure effective through June 30, 2013.

As affirmed by the records of votes of the members of your Committees on Labor and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2897, H.D. 1, as amended herein, and

recommend that it pass Second Reading in the form attached hereto as H.B. No. 2897, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 8; Ayes with Reservations (Ihara). Noes, 1 (Slom). Excused, 3 (Green, Hee, Hemmings).

**SCRep. 2801 Economic Development and Technology on H.B. No. 2133**

The purpose of this measure is to amend various provisions of the State Procurement Code by:

- (1) Setting time limits on awards in the request for proposal process; making public contracts effective as of the notice of the award; specifying that the solicitation, offer, bid, or proposal and the award notice constitute the entire contract; and providing that a subsequent written and executed contract is not required;
- (2) Requiring the State Procurement Office to authorize reseller agreements in multi-state contracting agreements; and
- (3) Requiring the Procurement Policy Board to adopt rules to promote Hawaii small businesses.

Testimony in support of this measure was submitted by Commercial Data Systems. Testimony in opposition of this measure was submitted by the County of Hawaii Finance Department, County of Maui Department of Finance, City and County of Honolulu Department of Design and Construction, City and County of Honolulu Department of Budget and Fiscal Services, and City and County of Honolulu Department of Environmental Services. Comments for this measure were submitted by the Department of Accounting and General Services, State Procurement Office, and General Contractors Association of Hawaii.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has heard a number of concerns regarding this measure, in particular the proposed imposition of a strict forty-five day interval for the period between a project being advertised and when the contract is executed. Your Committee understands that the interval between a project being advertised and awarded is based on several considerations, including the size and complexity of the project, as well as the source selection method that is used, and that the forty-five day limit is not practicable in all cases.

Your Committee has replaced the language in this measure with the language from S.B. No. 2291, S.D. 2, which was previously heard and approved by this Committee, with minor amendments proposed by the State Procurement Office. As amended, this measure:

- (1) Deletes the provisions that would set time limits on awards in the request for proposal process; make public contracts effective as of the notice of the award; specify that the solicitation, offer, bid, or proposal and the award notice constitute the entire contract; and provide that a subsequent written and executed contract is not required;
- (2) In reseller agreements, requires the State Procurement Office to place orders directly with local resellers; provided they are authorized and designated by original equipment manufacturers or other national equipment or products suppliers;
- (3) Deletes the provisions related to preferences for Hawaii small businesses;
- (4) Deletes the severability provisions and adds savings clause provisions; and
- (5) Makes technical 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 Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2133, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2133, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Hee).

**SCRep. 2802 (Majority) Economic Development and Technology on H.B. No. 2505**

The purpose of this measure is to establish the Access Hawaii Committee special fund for the purpose of supporting the Access Hawaii Committee's responsibilities.

Testimony in support of this measure was submitted by the Department of Accounting and General Services.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will enable the Access Hawaii Committee to exercise the provision in the Access Hawaii portal manager contract that assesses the contractor a monthly fee to cover the Access Hawaii Committee's administrative and operational overhead costs. Without this special fund, the Access Hawaii Committee cannot collect the fees, and oversight of portal activities will not be as effective as it could be.

Your Committee is supportive of enhanced oversight of the portal as a means of improved public access to governmental information and services by participating state and county departments and agencies. In addition, this measure will have no effect on the State's general fund budget, as the moneys will come from the portal manager.

Your Committee has amended this measure by requiring information on income and expenditures to be subject to legislative review and oversight in each budget submittal from the Department of Accounting and General Services.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2505, H.D. 1, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as H.B. No. 2505, 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 (Slom). Excused, 1 (Hee).

**SCRep. 2803 (Joint) Health and Higher Education on H.B. No. 2056**

The purpose of this measure is to broaden the pharmacy licensure practical experience requirements to include experience obtained in United States territories and the District of Columbia and to remove the requirement that the supervised practical experience must take place in a pharmacy.

Your Committees received testimony in support of this measure from CVS Caremark/Longs Drugs, Kaiser Permanente, the University of Hawai'i at Hilo College of Pharmacy Class of 2013, and the University of Hawai'i at Hilo College of Pharmacy Class of 2011. Testimony in support of the intent of this measure with amendments was submitted by the University of Hawai'i at Hilo College of Pharmacy and the Board of Pharmacy. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the University of Hawai'i at Hilo College of Pharmacy is the only accredited pharmacy program in the Pacific Basin and that its students come from many territories and countries in the Pacific region. They represent a range of cultures and will practice pharmacy in a variety of healthcare settings.

Your Committees find that it is important for the College of Pharmacy's practical experience program to reflect what will be the reality of practice for many of its students. This practical experience should be allowed to include practice under a duly registered or licensed pharmacist in the United States territories or the District of Columbia and practice in pharmaceutical settings beyond the traditional pharmacy, including clinics and acute care facilities.

Your Committees have amended this measure by replacing its contents with S.B. No. 2390, S.D. 2, which similarly broadens the pharmacy licensure practical experience requirements, but also clarifies that the pharmacist supervising an applicant's practical experience must be registered or licensed in the state, territory, or district where the experience is obtained.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2056, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2056, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Hemmings, Sakamoto, Takamine, Taniguchi).

**SCRep. 2804 Education and Housing on H.B. No. 2376**

The purpose of this measure is to propose an amendment to the Hawaii State Constitution to provide for a Board of Education whose members are appointed by the Governor with the advice and consent of the Senate.

Testimony in support of this measure was submitted by one private organization and two individuals, and testimony in support of the intent of this measure was submitted by one private organization. Testimony in opposition to this measure was submitted by one state agency, one private organization, and one individual. The Governor's office expressed concerns with this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that requiring members of the Board of Education to be appointed by the Governor, rather than elected, would increase the accountability of the Board. Your Committee also finds that the Regents Candidate Advisory Council's process of nominating members for the Board of Regents of the University of Hawaii provides the Governor with a selection of qualified candidates from which to appoint Board of Regents members. Implementing a similar nomination process for the Board of Education would similarly allow representatives from state government and education-related organizations to nominate qualified candidates for membership on the Board of Education.

Accordingly, your Committee has amended this measure by adding language to the constitutional amendment in section 1 of this measure and the ballot question in section 2 of this measure to require the Governor to appoint the voting members of the Board of Education from pools of qualified candidates presented by the Board of Education Candidate Nomination Commission.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2376, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2376, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 2805 Education and Housing on H.B. No. 2377**

The purpose of this measure is to require the members of the Board of Education to be appointed by the Governor, with the advice and consent of the Senate, from lists of qualified candidates presented to the Governor by the Board of Education Selection Advisory Council.

Testimony in support of this measure was submitted by one private organization and three individuals, and testimony in support of the intent of this measure was submitted by one private organization. Testimony in opposition to this measure was submitted by one state agency. The Governor's office expressed concerns with this measure, and two private organizations submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The scheduled loss of seventeen instructional days for the 2009-2010 school year prompted statewide debate and concern about the public education system in Hawaii. The public, legislators, the Governor, and others expressed the need for greater accountability of the Board of Education and leaders of the public education system to prevent similar situations from arising in the future. Your Committee finds that this measure presents a solution to the issue of lack of accountability.

Your Committee has made several amendments to this measure, including the following:

- (1) Renaming the Board of Education Selection Advisory Council as the Board of Education Candidate Nomination Commission;
- (2) Amending the number of voting members to be appointed to the Board of Education from eight to nine;
- (3) Changing the geographic representation of some of the voting members of the Board of Education;
- (4) Inserting language that designates the departmental school districts within the State;
- (5) Clarifying that the student member of the Board of Education shall be a nonvoting member selected by the Hawaii State Student Council, as specified in Article X, Section 2 of the Hawaii State Constitution;
- (6) Amending the length of each term of a Board of Education voting member to be three years, providing that terms for voting members shall begin on June 15 of the year of appointment, and increasing the maximum number of consecutive terms to three;
- (7) Authorizing the Governor to appoint the Chairperson of the Board of Education;
- (8) Establishing procedures and deadlines for the reappointment and reconfirmation of Board of Education voting members;
- (9) Establishing procedures and deadlines for filling vacancies on the Board of Education;
- (10) Extending the amount of time between the convening of the Board of Education Candidate Nomination Commission's first meeting for the initial appointment of members of the Board of Education and the day by which the Commission must present its candidates to the Governor;
- (11) Allowing members of the Board of Education Candidate Nomination Commission to serve up to two consecutive terms of four years;
- (12) Changing the composition of the Board of Education Candidate Nomination Commission;
- (13) Shortening the time within which individuals or organizations may appoint members to the Board of Education Candidate Nomination Commission;
- (14) Establishing procedures for the transition from a Board of Education with elected voting members to appointed voting members, should this measure be enacted and an appropriate constitutional amendment ratified; and
- (15) 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 Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2377, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2377, 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 (Chun Oakland, Hemmings).

**SCRep. 2806 (Joint) Education and Housing and Labor on H.B. No. 2486**

The purpose of this measure is to establish a minimum number of instructional hours per school year for each grade from kindergarten to grade twelve beginning with the 2011-2012 school year.

Testimony in support of this measure was submitted by one state agency, one private organization, and ten individuals. One state agency, four organizations, and two individuals support the intent of this measure. Comments were submitted by one private organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The scheduled loss of seventeen instructional days for the 2009-2010 school year makes Hawaii the state with the fewest number of instructional days in the nation. Establishing a minimum number of instructional days and hours per school year requires students to be in the classroom more often, increasing their opportunities for learning through contact with instructors.

Your Committees have considered information on instructional time in various countries and states and is cognizant of the additional financial burden on the Department of Education and the State in mandating additional instructional time. Your Committees have weighed the above considerations in making the following amendments to this measure:

- (1) Amending the mandatory minimum of instructional time for kindergarten to grade six to be 180 days at 6 hours per day, for a total of 1,080 instructional hours per school year;
- (2) Amending the mandatory minimum of instructional time for grades seven to twelve to be 180 days at 6.5 hours per day, for a total of 1,170 instructional hours per school year;
- (3) By directing the Department of Education to consider pick-up and drop-off times that optimize the Department's transportation services while minimizing costs to the State if the implementation of the mandatory minimum instructional hours results in varying schedules for the transportation of students; and
- (4) By making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2486, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2486, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Bunda, Chun Oakland, Hee, Hemmings).

**SCRep. 2807 (Joint) Education and Housing and Human Services and Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2318**

The purpose of this measure is to establish a five-year Housing First pilot program developed by the Hawaii Public Housing Authority, in collaboration with the Department of Human Services, to assist chronically homeless individuals and to increase the conveyance tax on properties valued at \$1,200,000 and over to fund the Housing First special fund.

Testimony in support of this measure was submitted by seven individuals, and testimony in support of the intent of this measure was submitted by one county agency. Testimony in opposition to this measure was submitted by three state agencies, one county agency, three private organizations, and one individual. One private organization submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Housing First is an alternative to transitional housing and emergency shelters that is based upon a theory that the homeless are more responsive to social services support after establishing a stable and secure living environment. Your Committees find that the growing problem of homelessness in Hawaii warrants the consideration of other housing solutions, including Housing First, to combat homelessness in the State. However, implementation of the Housing First pilot program proposed by this measure also depends upon the availability of funds that are scarce at this time.

Accordingly, your Committees have amended this measure by:

- (1) Removing language that requires the Hawaii Public Housing Authority to develop a Housing First pilot program;
- (2) Inserting language that authorizes the Hawaii Public Housing Authority to implement Housing First programs and services, as the Authority deems appropriate for clientele who would most likely benefit and succeed from the implementation of Housing First programs and services, and subject to the availability of existing funds or Housing First special fund moneys;
- (3) Removing the language that increases the conveyance tax, requires the deposit of a portion of conveyance tax revenues into the Housing First special fund, and appropriates Housing First special fund moneys for the Housing First pilot program;
- (4) Providing that continued tenancy through a Housing First program may be dependent on participation in treatment services; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

Your Committees have retained the language establishing the Housing First special fund in hopes that other sources of funding will become available in the future to allow the Hawaii Public Housing Authority to implement Housing First projects.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Human Services 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. 2318, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2318, 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, 11; Ayes with Reservations (Kidani). Noes, none. Excused, 3 (Hemmings, Takamine, Tokuda).

**SCRep. 2808 (Joint) Labor and Human Services and Health on H.B. No. 2461**

The purpose of this measure is to:

- (1) Require Hawaii Employer-Union Health Benefits Trust Fund plans to allow enrollees to continue the same prescription drug coverage for current enrollees and retroactively to the 2009 Hawaii Employer-Union Health Benefits Trust Fund open enrollment period; and
- (2) Prohibit the Department of Human Services from requiring its approval for a Medicaid or QUEST health plan to deliver services through telehealth, and from requiring in-person health care visits to qualify telehealth services for coverage under the Medicaid and QUEST health plans.

Testimony in support of this measure was submitted by four private organizations. Testimony in opposition of this measure was submitted by two state agencies and four private organizations. Comments on this measure were submitted by two private organizations and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that utilization of reference-based pricing programs, the practice of utilizing a reimbursement process in which a ceiling price is set for medications that exhibit similar therapeutic benefits, is still in its infancy and the long-term costs and benefits associated with using the programs are yet to be accurately determined. Your Committees also find that the impact of reference-based pricing programs on health plan members needs to be closely examined and analyzed in order to make an informed decision about what health care alternatives provide the best value for Hawaii Employer-Union Health Benefits Trust Fund members enrolled in its Prescription Plan. Your Committees further find that use of new and available health care technology and alternatives that would meet the health care needs of patients should be explored, which includes the use of mobile health vans equipped with telecommunication services.

Your Committees have amended this measure by:



- (1) Deleting its contents;
- (2) Adding a purpose section that provides background on reference-based pricing programs;
- (3) Requiring a moratorium on the use of the Hawaii Employer-Union Health Benefits Trust Fund's Reference-Based Pricing Program in this State through June 30, 2012;
- (4) Requiring the Hawaii Employer-Union Health Benefits Trust Fund to conduct a comprehensive study on the feasibility and long-term effects of the Reference-Based Pricing Program and to submit a report of their findings to the Legislature no later than twenty days prior to the convening of the 2012 Regular Session;
- (5) Requiring the Department of Health to execute a budget neutral pilot program to explore the use of mobile health vans that are equipped with telecommunication services that utilize managed health care principles; and
- (6) Adding the contents of S.B. No. 2494, S.D. 2, to Part III, to provide for continuing coverage of prescription medication under any policy entered into by an insured or insurer on or after July 1, 2010.

As affirmed by the records of votes of the members of your Committees on Labor and Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2461, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2461, 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 (Sлом). Noes, none. Excused, 3 (Bunda, Hee, Hemmings).

**SCRep. 2809 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2741**

The purpose of this measure is to clarify the law pertaining to commercial fishing vessels.

Specifically, this measure:

- (1) Requires a permittee of certain commercial fishing vessels to pay a fee two times the moorage fee of a recreational vessel;
- (2) Allows a person to transfer stock or interest in a corporation or business entity operating a commercial fishing vessel while allowing the corporation or business entity to retain its mooring permit under certain circumstances; and
- (3) Defines "commercial fishing activity."

Testimony in support of this measure was submitted by one individual. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes that a mooring permit is an asset to any commercial fishing operation. Recent administrative changes have resulted in commercial fishing operations being unable to transfer their mooring permits with the sale or transfer of the business, which results in a significant decrease in the value of the business. This measure will allow these operations to transfer their mooring permits with the business under certain circumstances. Additionally, this measure will help level the playing field for commercial fishing operations and commercial passenger vessels. Presently, commercial passenger vessels pay two times the slip rental or three per cent of their gross revenue, to cover boat harbor services including parking, water, cleaning, garbage collection, etc. Increasing the fees for commercial fishing operations to two times the moorage fee assessed for recreational vessels, similar to what commercial passenger vessels pay, is fair and will help the State cover the costs of operating and maintaining small boat harbors.

Another way to raise revenues to cover the costs of operating and maintaining small boat harbors is to raise liveaboard fees. These fees are set in statute, and according to the Department of Land and Natural Resources, have not been raised since 1992. Your Committee finds that the Department of Land and Natural Resources needs the flexibility to adjust fees through administrative rules, rather than having the fees set in statute.

Your Committee has amended this measure by:

- (1) Disallowing the seller's retention of its mooring permit or any other permit issued by the Department of Land and Natural Resources if the transfer of stock or interest in a corporation or business entity operating a commercial fishing vessel is to an employee, shareholder, officer of the corporation, or member of the seller's immediate family;
- (2) Limiting the allowance of a person to transfer stock or interest in a corporation or business entity while retaining its mooring permit or other permits to a one-time transfer;
- (3) Adjusting liveaboard fees for permittees of vessels that are used for a place of principal habitation in state small boat harbors from \$5.20 a foot of vessel length a month for state residents and \$7.80 per month for nonresidents, to:
  - (A) Three times the moorage fees assessed per month for a recreational vessel of the same size, if the permittee is a state resident; and
  - (B) Three and one-half times the moorage fees assessed per month for a recreational vessel of the same size, if the permittee is a nonresident; and
- (4) Specifying that the foregoing liveaboard fees shall be in lieu of, rather than in addition to, moorage fees;
- (5) Deleting the requirement that moorage fees be established at a higher rate for nonresidents;
- (6) Changing the effective date of the measure to July 1, 2050, to facilitate further discussions; and
- (7) Making 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 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. 2741, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2741, 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; Ayes with Reservations (Fukunaga). Noes, none. Excused, 2 (Hemmings, Tokuda).

**SCRep. 2810 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2409**

The purpose of this measure is to encourage commercial aquaculture production in the State by providing favorable terms for the leasing of public lands.

Specifically, this measure:

- (1) Increases the lease terms for aquaculture ventures from thirty-five years to forty-five years;
- (2) Permits aquaculture lessees in good standing to be given a right of first refusal and to seek lease renewal; and
- (3) Allows for supportive aquaculture activities.

Testimony in support of this measure was submitted by eight organizations and three individuals. One state agency supports the measure with certain amendments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes the Department of Land and Natural Resources' concerns regarding the right of first refusal resulting in the perpetual leasing of public lands by one lessee. However, your Committee believes that because the lease would be subject to a public bidding process prior to the granting of the right of first refusal, the public would not be shut out of the process. Your Committee finds that the extension of the lease terms for aquaculture ventures is necessary so that they can receive federal loan guarantees. Additionally, a forty-five-year lease term is not unreasonable given that other leases for public lands can be for up to sixty-five years.

Your Committee further finds that taro is an important crop grown using aquaculture effluents. However, taro lands have been marginalized by the assignment of low value agricultural land use designations, and some taro-growing areas are considered "prime D, E" or "marginal." Despite the decline of active taro production in Hawaii, there remains hundreds, if not thousands of acres of land that lay fallow but have the potential for rehabilitation and taro production. This measure should assist not only aquaculture ventures generally, but also help increase local taro production by identifying available and suitable lands.

Your Committee has amended this measure by:

- (1) Including taro in the definition of "aquaculture"; and
- (2) Inserting a provision requiring the Department of Agriculture and the Department of Land and Natural Resources to review the State's public land inventory and identify those lands that are available and suitable for taro farming, and to report their findings to the Legislature.

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. 2409, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2409, 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 (Hemmings, Takamine).

**SCRep. 2811 Judiciary and Government Operations on H.B. No. 2901**

The purpose of this measure is to provide for the selection of the most qualified offerors for design-build projects, which combine design and construction into a single contract, and to encourage the participation of Hawaii-based companies, including local small firms, in the design-build proposal process by:

- (1) Establishing a discretionary procedure under which the head of a purchasing agency may procure construction contracts using the design-build process under a single request for proposals, where not more than five offerors selected on their qualifications submit proposals; and
- (2) Requiring that the purchasing agency pay a stipend in an unspecified amount to each unsuccessful design-build offeror who submits a technically-responsive proposal if the offeror authorizes the purchasing agency to use elements of its designs that were included in the proposal, and the offeror waives its right to protest the award.

Testimony in support of the measure was submitted by three private organizations, including the American Society of Civil Engineers, and thirty-eight individuals. One county agency submitted testimony in opposition to the measure. Comments regarding the measure were submitted by the Department of Accounting and General Services and the State Procurement Office. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that while design-build projects are being increasingly used for construction projects, the up-front costs to a design or civil engineering firm to respond to a request for proposals can be enormous and, if the firm does not receive the award, represent costs and resources that are lost. According to testimony received by your Committee, the up-front costs involved in developing designs can be particularly daunting for small firms that do not have the resources to gamble on a design-build award. This places small firms at a disadvantage, as they are not always able to expend the resources to submit a responsive proposal. Moreover, the design-build procurement process, as currently implemented, may focus too much on the cost of the project, while not adequately

looking at the quality of the design concepts submitted and whether the firm offering the proposal is highly qualified. In the end, this may result in projects that are substandard.

Your Committee notes that several interested stakeholders, particularly members of the American Society of Civil Engineers, the Department of Accounting and General Services, and the State Procurement Office, have been working together to arrive at a compromise bill that addresses the parties' major areas of concern, including the point at which a stipend would be offered, the purpose of the stipend, and how firms are evaluated. The amended measure, as described below, reflects the progress of the discussions and negotiations between the parties thus far. Your Committee hopes that the parties will continue to collaborate to come up with a measure to which all the parties agree.

Your Committee has amended this measure by deleting its contents and inserting language proposed by the State Procurement Office, with certain amendments. As amended, the measure provides that:

- (1) At the discretion of the head of the purchasing agency, construction projects may be procured using the design-build process;
- (2) The requirements for the submission of proposals may be specified in the solicitation;
- (3) None of the criteria that the evaluation committee uses to develop the list of no more than five offerors who are most highly qualified are weighted more than any other criterion;
- (4) The location of the principal office of the offeror is not a factor in determining which offeror is highly qualified;
- (5) The procurement officer may offer a stipend if the officer determines, in his or her discretion, that it is advantageous to offer a stipend in order to encourage competition and innovation and to increase the best value of offers received without exceeding the budget;
- (6) The request for proposals shall include a statement of the maximum number of offerors who will be selected to submit proposals and the stipend, if any, that will be provided to offerors who submit a technically-responsive offer;
- (7) An offeror will not be required to authorize the purchasing agency to use elements of its designs that were included in its proposal or waive its right to protest the award in order to be offered a stipend;
- (8) If the procurement officer cancels the contract, then all responsive offerors shall be offered the stipend, which shall be paid within ninety days from the award of the contract or from the day of decision to cancel the contract;
- (9) The measure shall be repealed on June 30, 2012; and
- (10) The measure shall be effective on September 14, 2047, in order to allow the stakeholders to further discuss the provisions of the measure and to resolve any disagreements regarding its terms.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2901, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2901, 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 (Slom). Noes, none. Excused, 1 (Bunda).

#### **SCRep. 2812 Commerce and Consumer Protection on H.B. No. 2288**

The purpose of this measure is to prohibit private fees attached to deeds or covenants of real property that impose fees on all future transferees of that property.

Your Committee received testimony supporting the intent of this measure with amendments from the Nature Conservancy, the Hawaii Financial Services Association, the Maui Coastal Land Trust, Oceanside Partners, the Hawaii Association of REALTORS, and Alexander & Baldwin, Inc. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that private transfer fees are deed restrictions or covenants on real property that require all future transferees of the property to pay a transfer fee to the private party which created the restriction. Private transfer fees effectively cloud title to property by reserving part of the fee simple interest to the transfer fee creator. This acts as a restraint on the transfer of real property and can negatively impact property values.

Your Committee concludes that private transfer fees decrease housing affordability, serve no public purpose, and provide no benefit to property purchasers or the community except in limited cases concerning conservation land.

Your Committee has amended this measure by:

- (1) Including in the list of exemptions to the transfer fee prohibition:
  - (A) Any consideration payable by a person who purchases real property that was initially transferred at below then prevailing market value pursuant to an affordable housing program established by the original seller;
  - (B) Any amount payable pursuant to a deed restriction or other covenant running with the land that was required by a litigation settlement approved by the court before this measure takes effect; and
  - (C) Any reasonable fee attached to conservation land payable to a qualified organization for educating the new owners or for the management, stewardship, or enforcement of a qualified real property;

- (2) Invalidating deed restrictions or covenants running with the land to secure payment of transfer fees that are filed after this measure takes effect, with the clarification that such invalidation does not infer that such restrictions or covenants filed prior to the effective date of this measure are valid per se;
- (3) Rejecting any recovery for payees for any consideration paid upon transfer pursuant to a deed restriction before this measure takes effect;
- (4) Clarifying the exemption applicable to fees, charges, assessments, and fines payable to real property associations, by deleting property homeowners associations, including cooperative housing corporations and planned community associations, and adding statutory references to the definitions of those terms; and
- (5) Making this measure effective upon approval.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2288, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2288, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 2813 (Joint) Commerce and Consumer Protection and Tourism on H.B. No. 2783**

The purpose of this measure is to statutorily extend until June 30, 2015, the \$400,000 aggregate cap on general excise tax exemptions on amounts received by the operator of a hotel from a timeshare association and on amounts received by the suboperator of a hotel from the owner of the hotel, a time share association, or the operator of the hotel.

This measure also provides that the general excise tax exemption for amounts received by a submanager of an association of apartment owners of a condominium property regime or nonprofit homeowners or community association as reimbursement for payment of common expenses shall be effective retroactive to July 1, 2006.

Your Committees received testimony in support of this measure from Wyndham Worldwide. Testimony in support of the intent of this measure with amendments was submitted by Outrigger Enterprises Group, Starwood Vacation Ownership, Marriott Vacation Club International, the American Resort Development Association, and the Hawai'i Association of REALTORS. Testimony commenting on this measure was received from the Tax Foundation of Hawaii. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the capped exemption of the general excise tax has helped to make Hawaii's tourism market more competitive nationally by ensuring that the costs of maintaining and developing timeshares in Hawaii stay reasonable and by leveling the playing field with regards to operators and suboperators of hotels and timeshares in the local market.

Your Committees have amended this measure by replacing its contents with a similar measure, S.B. No. 2643, S.D. 1. As amended, this measure is more concise, makes the general excise tax exemptions permanent, and does not include provisions to make the submanager's exemption retroactive.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2783, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2783, 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, 5 (Hemmings, Ihara, Sakamoto, Slom, Tsutsui).

**SCRep. 2814 Commerce and Consumer Protection on H.B. No. 2875**

The purpose of this measure is to authorize the loan of moneys from the Hawaii Hurricane Reserve Trust Fund (Fund) to the general fund pursuant to legislative acts to be expended in place of previously appropriated general funds.

Your Committee received testimony from the Chamber of Commerce of Hawaii and 'Ohana Health Plan. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs and the Department of Budget and Finance. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State's fiscal crisis has resulted in enormous cuts in funding to essential services. Further constrictions to departmental budgets may necessitate the deferment of payments owed by the State to various providers or other cuts to essential services, disproportionately affecting the low-income, aged, blind, and disabled residents of our State. These economic times require the Legislature to review different options to make up the budget deficit, including temporarily authorizing loans from the Fund to make up deficiencies in moneys available within the general fund.

Your Committee has amended this measure by allowing the loan to be repaid over two bienniums, with half to be paid in 2015 and the remaining half to be paid in 2017, in order to assure that Hawaii's economy has rebounded sufficiently to make the moneys for repayment of any loans readily available.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2875, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2875, 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 (Hemmings, Ige, Sakamoto).

**SCRep. 2815 Economic Development and Technology on H.B. No. 2962**

The purpose of this measure is, from July 1, 2010, through July 1, 2013, to disallow tax liabilities from being reduced by credits under the technology infrastructure renovation tax credit and high technology business investment tax credit.

Testimony in support of this measure was submitted by the Hawaii Council of Mayors and the Hawaii County Council. Testimony in opposition was submitted by the Hawaii Venture Capital Association; Hawaii Science and Technology Council; NovaSol; SDC Hawaii, LLC; Ho'okele Health Technologies; Puko'a Scientific; Island Film Group; PacificCap Group LLC; and two individuals. Comments on this measure were submitted by a member of the Hawaii County Council and the Department of Taxation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has heard numerous concerns regarding this measure, and the impacts – both short-and long-term – it will have on the State's ability to attract much-needed investment for Hawaii's technology industry. The Department of Taxation estimated that this measure would result in revenue gains of \$93,300,000 in fiscal year 2011, \$47,500,000 in 2012, and \$27,500,000 in 2013, followed by revenue losses of \$84,200,000 in both fiscal year 2014 and 2015. When questioned by your Committee, the Department indicated that the methodology used to calculate the revenue impacts is based on historical data of the actual credits claimed, which consists of credit claims for year one, the tails of the credit (credit claims for years two through five), carry-over credits, and estimated new investments of \$50,000,000 in fiscal years 2010 and 2011.

Your Committee has replaced the language in this measure with language from S.B. No. 2405, S.D. 2, which was previously heard and approved by this Committee. As amended, this measure adopts changes to Hawaii's tax law that will allow Hawaii to participate in the national Streamlined Sales and Use Tax Agreement, which simplifies state tax systems and removes burdens to interstate commerce.

Your Committee finds that participation in the national Streamlined Sales and Use Tax Agreement (Agreement) requires that Hawaii change its tax law and adopt a single rate of general excise tax, Hawaii's substitute for a sales tax, to be in conformity with the Agreement. Once a sufficient number of states agree to a uniform framework, this national demonstration project of the feasibility of collecting state use taxes on out-of-state purchases will give states the ability to level the playing field for in-state retailers who are at a competitive disadvantage because they collect the sales taxes due on local purchases. Modern technology and e-commerce giants Amazon.com, Borders, Sears, Costco and a wide range of national businesses have demonstrated the ease of calculating taxes due at the point of sale, thereby serving as the most practical reason for the United States Congress to overturn the 1992 Quill vs. North Dakota decision (requiring out-of-state retailers to collect taxes owed to another state at the point of sale was held to be an "undue burden" on commerce).

Your Committee further finds that there are compelling reasons for requiring remote sellers to collect use taxes due on out-of-state purchases that state tax departments have traditionally been unable to enforce against individual taxpayers. In a National Conference of State Legislatures (NCSL) state-by-state listing that highlighted anticipated fiscal year 2010 budget gaps and uncollected 2008 sales/use tax revenue, the aggregate 2010 budget gaps estimated for all states was roughly \$84,340.2 billion dollars, with 2008 uncollected sales/use taxes amounting to \$27,836.7 billion dollars in lost revenue - or approximately thirty-three per cent of the total budget gap (State Budget Update: June 2008, State Budget Update: November 2008 and February 2009 Update on State Budget Gaps: FY 2009 & FY 2010). As states reel from the impact of budget cuts, employee layoffs and furloughs, disruption of critical health care and social services, even large states like Texas, Massachusetts, Florida, Illinois, Virginia, Missouri, and California introduced streamlined sales and use tax conforming legislation in 2009. Collecting state use taxes that were previously uncollectable is an obvious alternative to be pursued before tax increases are adopted.

From the NCSL listing, Hawaii's budget gap was projected at \$1.057 billion for fiscal year 2010, and uncollected 2008 use taxes projected at \$245.5 million. Although Hawaii cannot obtain the full amount of its uncollected use taxes until Congress acts to authorize states to pursue the streamlined solution, adoption of this year's legislation will give the State an opportunity to capture voluntary collections on behalf of participating streamlined states. Twenty-three states that have adopted conforming legislation since 2005 have received over \$515 million in voluntarily-collected use taxes through spring 2010 from 1,200 retailers.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2962, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2962, 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 (Hee, Slom).

**SCRep. 2816 Judiciary and Government Operations on H.B. No. 2000**

The purpose of this measure is to provide the Judiciary with supplemental appropriations and authorizations for its operations and capital improvements for fiscal biennium 2009-2011 by amending the Judiciary Appropriations Act of 2009.

Testimony in support of the measure was submitted by the Judiciary; Judge Michael Wilson of the Circuit Court of the First Circuit; one county agency; seven private organizations; and seventy-seven individuals. Comments regarding the measure were submitted by Judge Steven Alm of the Circuit Court of the First Circuit and two individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee received support for the various programs run and funded by the Judiciary, including Project HOPE and the Drug Court programs. Your Committee understands that the Judiciary has already undertaken considerable cost-cutting measures in conjunction with the Legislature's actions last year to reduce the Judiciary's budget, that the Judiciary has adopted a furlough plan for all Hawaii Government Employees Association and related employees that was implemented on November 6, 2009, and that these

economies have resulted in an increased workload for Judiciary staff who are attempting to do so much with fewer financial resources, people, and work days.

As such, your Committee is cognizant that the supplemental budget request submitted by the Judiciary is also significantly scaled back in acknowledgement of the State's economic situation and that even the amount of funding originally requested in the supplemental budget will necessitate severe cost-cutting measures.

However, the Governor has directed executive departments to reduce their budgets by 13.85 per cent of payroll. This target amount is based upon the savings that three furlough days per month would accrue. A similar reduction to the Judiciary's budget would be approximately \$12,000,000. Your Committee believes that, instead, a reduction of \$11,069,376 in the appropriation for general funds from the Judiciary's supplemental budget request is more feasible, given the amount of cost-cutting the Judiciary has already done. This amount is calculated using the Department of Budget and Finance's projection of \$8,069,376 two-day furlough savings and an additional \$3,000,000. This will allow the Judiciary to allocate this reduction in accordance with their priorities.

Accordingly, your Committee has amended this measure by:

- (1) Reducing the appropriation of general funds by an additional \$393,000 for furlough savings; and
- (2) Reducing the appropriation of general funds by an additional \$3,000,000 to meet the target reduction amount.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2000, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2000, 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 (Bunda, Takamine).

**SCRep. 2817 (Majority) Labor on H.B. No. 1390**

The purpose of this measure is to increase the fee schedule of compensation for medical care in workers' compensation cases from 110 per cent to an unspecified percentage of the Medicare Resource Based Relative Value Scale system applicable to Hawaii, as prepared by the United States Department of Health and Human Services.

However, your Committee has deleted the contents of this measure and replaced it with a proposed S.D. 1 that consists of the contents of S.B. No. 2339, S.D. 1, which:

- (1) Requires an employer who denies compensability, or indicates compensability is not accepted, to submit a written report to the Director of Labor and Industrial Relations and the claimant within thirty days of its denial of, or indication not to accept, compensability that substantiates its denial of compensability; and
- (2) Does not allow the due date for the employer's written report to be extended.

Testimony in support of this proposed measure was submitted by three private organizations and three individuals. Testimony in opposition of this measure was submitted by one state agency, one county agency, and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that a clear trigger date that would establish an employer's position on accepting or denying a compensability claim needs to be determined in writing by the employer, or on an applicable form of the Department of Labor and Industrial Relations, in order to place a maximum length of time that a claimant could wait before potentially receiving disability benefits. Your Committee also finds that once an injured worker knows whether the employer will accept or deny compensability on a claim, the injured worker's financial hardship will no longer be in limbo.

Your Committee has amended this measure by deleting the contents of this measure and replacing it with the contents of S.B. No. 2339, S.D. 1.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1390, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1390, 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 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 2818 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 674**

The purpose of this measure is to amend the operating budget of the Office of Hawaiian Affairs for fiscal years 2009-2010 and 2010-2011.

Testimony in support of the measure was submitted by five organizations and two hundred sixty-one individuals. One state agency and one organization support the intent. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee is concerned and disappointed with the Office of Hawaiian Affairs' (OHA) interpretation of this measure and in particular, with their analysis of section 1 of this proposal, which inserts section 9A into the OHA budget, Act 140, Session Laws of Hawaii 2009. So there can be no misunderstanding, section 9A constitutes and proposes that fifty percent of the OHA trust funds match fifty percent of the Hawaiian Home Lands trust funds. OHA's interpretation that section 9A of this measure consists of all OHA trust funds is incorrect.



Your Committee also acknowledges and agrees with an Attorney General opinion that recognizes OHA's discretion over its own trust funds. However, there is nothing in this measure that compels OHA to spend its trust funds; and furthermore, your Committee notes that OHA trust funds in section 9A of this measure are matched with non-OHA funds held by the Department of Hawaiian Home Lands.

Another unfortunate OHA misconception concerns the Legislature's general fund appropriation to OHA in this proposal. Sections 7 to 9 of Act 140, Session Laws of Hawaii 2009, clearly follow section 10-14.6, Hawaii Revised Statutes, which provides that the Legislature shall appropriate any general fund portion of the OHA budget and any matching special fund appropriations. If OHA elects not to use the Legislature's general fund appropriation, then OHA does not have to match the general funds with its own trust funds.

Your Committee has discovered inconsistencies and concerns over OHA's spending of the Legislature's general fund appropriation for its operating expenses. These concerns include a miscellaneous expenditure of approximately \$450,000 in 2009-2010 and \$468,266 in 2010-2011. OHA's non-disclosure of the specific use of these taxpayers' funds is troubling and unacceptable. Further, your Committee has also been informed that OHA deleted 167.5 and created 153.5 new positions as part of their new reorganization. Your Committee is concerned over the deletion of 62 positions that are funded by general funds and wants to know whether these positions have been replaced. Your Committee believes that in light of OHA's trust fund portfolio value of \$352,000,000, expenditures paid by general funds including but not limited to rent and insurance costs should be paid by OHA trust funds and not general funds. Therefore, your Committee will continue to review the general fund appropriations requested by OHA as this measure moves forward.

Your Committee has amended this measure by further amending Act 140, Session Laws of Hawaii 2009, to reduce the general fund appropriation for OHA for the 2010-2011 fiscal year to zero 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 H.B. No. 674, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 674, 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 (Fukunaga). Noes, none. Excused, 3 (Bunda, Kokubun, Tokuda).

**SCRep. 2819 Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2923**

The purpose of this measure is to establish procedures for the extension of up to thirty-four years of leases of Hawaiian home lands for commercial or multipurpose projects.

Your Committee received testimony in support of this measure from one state department and twenty private entities. Testimony in opposition was received from four private entities and two individuals. Testimony in support of this measure, as amended, was received from three private entities which were in opposition to this measure as received by your Committee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Pursuant to section 101, Hawaiian Homes Commission Act, 1920, as amended, the Hawaiian home lands are intended to establish "a permanent land base for the benefit and use of native Hawaiians, upon which they may live, farm, ranch, and otherwise engage in commercial or industrial or any other activities as authorized in this Act." Your Committee finds that commercial projects authorized under this measure to raise funds to enable the Department of Hawaiian Home Lands to operate and build the infrastructure necessary for the native Hawaiian beneficiaries to make the homestead lands their home, are well-intentioned. However, while these revenue-raising commercial projects benefit the native Hawaiian beneficiaries indirectly, there are times when commercial projects result in short- and long-term negative consequences for the beneficiaries that are not adequately addressed.

Your Committee further finds that setting aside a portion of those commercial revenues to be used for the benefit of native Hawaiian beneficiaries, beneficiary-controlled organizations, and homestead community associations is consistent with the purpose and intent of the Hawaiian Homes Commission Act, 1920, as amended, and will aid in ensuring that native Hawaiian beneficiaries, either directly or through native Hawaiian community organizations, such as beneficiary-controlled organizations, and homestead community associations, benefit from these commercial projects.

Your Committee finds that the current sixty-five year lease term is not of sufficient duration to attract commercial investment, and therefore to increase the attractiveness of long-term commercial leases a provision for lease extension is necessary. Furthermore, extended lease terms beyond sixty-five years would provide a reliable long-standing revenue stream which will improve DHHL's long term bond credit rating. Better credit ratings are desirable to make bonds attractive to potential investors, which would ensure more construction of homes for native Hawaiians.

Your Committee received the same suggestions to amend this measure from three private entities. Your Committee has thusly amended this measure to:

- (1) Add a findings and purpose section;
- (2) Establish a procedure of beneficiary consultation with beneficiaries and beneficiary-serving organizations prior to the disposition of available land by a request for proposals for an initial lease for commercial and multipurpose projects;
- (3) Allow lease term extension for commercial or multipurpose projects for "improvements" to the leased property, in order to obtain financing;
- (4) Limit extensions of leases to not longer than twenty years, to be granted only once;
- (5) Add that as part of its review of plans, specifications, and the written agreement regarding improvements on leased lands that DHHL determine whether the development meets the priorities of the Hawaiian Homes Commission;



- (6) Prohibit approval of a lease extension until one third of the original lease term has expired;
- (7) Specify that twenty per cent of all revenues generated from lease agreements and land use instruments shall be deposited into the Native Hawaiian Rehabilitation Fund to be used for the benefit of native Hawaiian beneficiaries, beneficiary-controlled organizations, and homestead community associations, and not intended for administrative costs for the State;
- (8) Require DHHL to submit an annual report to the legislature and the United States Department of the Interior on specified information concerning the commercial leases and multipurpose projects; and
- (9) Change the effective date to July 1, 2010.

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. 2923, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2923, 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 (Hemmings, Takamine).

**SCRep. 2820 (Joint) Economic Development and Technology and Commerce and Consumer Protection on H.B. No. 2877**

The purpose of this measure is to suspend, from July 1, 2010, through June 30, 2015, the general excise, use, and public service company tax exemptions for certain amounts received by certain persons and, instead, require those persons to pay the applicable tax on those amounts at a one per cent rate.

Testimony in support of this measure was submitted by the Hawaii Council of Mayors; Hawaii County Council; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Testimony in opposition of this measure was submitted by the Hawaii Housing Finance and Development Corporation; Hawaii Tourism Authority; Hawaii Hotel and Lodging Association; Maui Hotel and Lodging Association; Aloha Society of Association Executives; Marriott Ko Olina Beach Club Resort; Marriott International, Inc.; Marriott Waiohai Beach Club Resort; Wailea Beach Resort & Spa; Kauai Lagoons; Pono Kai Resort; Starwood Vacation Ownership; Aston Hotels & Resorts, LLC; Outrigger Hotels; AT&T Services, Inc.; Altres, Inc.; Hawaii Transportation Association; Hawaii Cattlemen's Council; Faith Action for Community (FACE); CTIA The Wireless Association; Hawaii Island Contractors Association; Isemoto Contracting Co. Ltd; Building Industry Association-Hawaii; Sprint Nextel; Ship Repair Association of Hawaii; Honua Landscaping, Inc.; Hawaiian Airlines; Alexander & Baldwin, Inc.; Hawaii Credit Union League; Hawaii State Bar Association; Retail Merchants of Hawaii, American Institute of Architects – Hawaii Chapter; Wyndham Worldwide; American Resort Development Association-Hawaii; General Contractors Association of Hawaii; Gentry Homes and Gentry Builders; Hawaii Association of Independent Schools; Hawaiian Telcom, Distilled Spirits Council of the United States; Hawaii Science and Technology Council; Puko'a Scientific; ProService Hawaii; William C Loeffler Construction, Inc.; NovaSol; Land Use Research Foundation of Hawaii; Airlines Committee of Hawaii; The Queen's Health Systems; Complete Construction Service Corporation; and Subcontractors Association of Hawaii. Comments for this measure were submitted by the Department of Taxation, a member of the Hawaii County Council, Hawaii Crop Improvement Association, Hawaii Alliance of Nonprofit Organizations, Hawaii Harbors Users Group, The Chamber of Commerce of Hawaii, Hawaii Food Industry Association, Hawai'i Association of REALTORS, and Society for Human Resource Management – Hawaii Chapter.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees have heard numerous concerns regarding this measure, and have concluded that it represents a short-term financial "fix" for the State, but with significant long-term negative implications for economic recovery. The Department of Taxation estimates that this measure would raise general fund revenues of nearly \$575,000,000 over the five years of the general excise tax (GET) exemptions suspension, but that it may have serious long-term consequences.

Your Committees are particularly concerned that suspension of exemptions that were crafted to address specific industry problems will greatly impede Hawaii's economic recovery. For example, as pointed out by testifiers from the visitor industry, removal of the exemption for amounts received by hotel operators or sub operators from a hotel owner or timeshare association for employees' wages and benefits would likely lead to a restructuring of businesses. The net effect is that hotel employees will likely become employed by individual hotel owners in the future rather than by large management company systems, which would correspondingly result in fewer benefits and less stability for employees when properties change hands between hotel owners. The purpose of granting the exemption almost twenty years ago was to protect Hawaii employees, especially when international market forces have increasingly dictated changes in hotel ownership.

Similar concerns were expressed regarding exemptions to address specific problems affecting construction, real property leases, low-income housing projects, ship repairs for defense-related industries, and other industries.

As such, your Committees have evaluated the potential tax revenue gains from this measure against the likely adverse consequences upon vital sectors of Hawaii's economy. Your Committees believe that, given the \$1,200,000,000 revenue shortfall the State faces in 2010, there are only three basic choices for the Legislature to select from:

- (1) Cut government spending - e.g., in the form of additional cuts to general-funded programs by an additional \$1,000,000,000 in the current biennium;
- (2) Modify tax credits or exemptions that affect the viability of all Hawaii business sectors - e.g., in the form of exemptions being suspended in this measure, reductions of allowable credits to eighty per cent, or impose premium taxes upon health insurance providers; or
- (3) Temporarily increase the general excise tax, the State's most broad-based tax.

Your Committees believe that, given the public outcry over government spending cuts imposed in 2009 and 2010, reducing state services by an additional \$1,000,000,000 will have permanent, devastating consequences for the State's economy. As pointed out by a recent panel of economists, deep cuts to state programs will have large multiplier effects upon the rest of the State's economy (citing a multiplier effect of 1.5-2 per cent for federal government spending cuts, "*Alternative Means of Addressing the State Budget Shortfall*," Byron Gangnes, Ph.D, PHOCUSED Forum, Hawaii State Capitol, March 10, 2010).

Additionally, your Committees are concerned that the changes to tax credits and exemptions or new taxes imposed upon Hawaii businesses through four tax measures presently before our Committees will lead not only to business closures and job losses, but also to considerable hardships upon consumers, who will ultimately bear increased costs in selected areas like health care services or insurance expenses, reduced access to affordable housing, or air transportation cost increases. These cost increases will, moreover, be for amounts that may be substantially higher than the levels projected for the tax exemption suspension, since smaller segments of the community will bear the cost of the changes in tax policy.

Accordingly, to provide the Senate's fiscal committee with an alternative that has not been fully evaluated with other revenue shortfall solutions in this legislative session, your Committees believe that it is appropriate to advance a proposal for a temporary increase of the State's general excise tax (GET), coupled with provisions for a state earned income tax (EITC) to reduce regressivity of the excise tax upon lower-income taxpayers for further review and debate.

Your Committees note that, among its features, the State's general excise tax possesses a broad base among Hawaii taxes; Hawaii collected almost fifty per cent of its tax revenues from the GET in 2004, whereas other states collect only about thirty-three per cent of tax revenues from their sales tax. Hawaii's rate of four per cent (with a .05 per cent transit surcharge added to the GET on Oahu sales) is among the lowest in the country. Among sales-taxing states, only Colorado has a lower rate (2.9 per cent); Hawaii's state and local rate is the lowest among sales-taxing states when the state rate is combined with the maximum local rate. At the same time, Hawaii's taxation of food and nearly all services has resulted in thirty-eight per cent of its impacts being borne by non-state residents. From a state tax policy perspective, visitors thus contribute a fair share towards the maintenance of critical state programs and services that they utilize while visiting the State.

Your Committees have therefore replaced the language in this measure with portions of the language from S.B. No. 1346, S.D. 2, and S.B. No. 790, tax measures heard during the 2009 Regular Session. As amended, this measure:

- (1) Increases the general excise tax, the use tax, and the public service company tax from four to five per cent for the period of October 1, 2010, through September 30, 2012 (Part I);
- (2) Provides a refundable state earned income tax credit equivalent to twenty per cent of the federal earned income tax credit (Part II); and
- (3) Takes effect October 1, 2010, in order to give the Department of Taxation sufficient time to prepare for collection of these tax increase.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2877, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2877, 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; Ayes with Reservations (Green). Noes, none. Excused, 3 (Hee, Hemmings, Slom).

**SCRep. 2821 (Majority) Economic Development and Technology on H.B. No. 2945**

The purpose of this measure is to expand the State Private Investment Fund Program to:

- (1) Establish a State Private Investment Fund to be administered by the Hawaii Strategic Development Corporation, and governed by a Fund Board;
- (2) Authorize insurance company tax credits to be used as a fund guarantee;
- (3) Establish investment limits and require investments in successful venture capital firms with experienced managers and an ability to mentor entrepreneurs;
- (4) Set a target of thirty per cent of investments in Hawaii-based businesses; and
- (5) Direct that returns exceeding fund expenses, debts, and investor equity interests be deposited into the general fund.

Testimony in support of this measure was submitted by the High Technology Development Corporation, Hawaii Strategic Development Corporation, and Hawaii Science and Technology Council. Testimony in opposition of this measure was submitted by the Employees' Retirement System. Comments for this measure were submitted by the Tax Foundation of Hawaii.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that many states have adopted a fund of funds model to support venture capital investment and the focus of this measure is to create a financing mechanism that will not use scarce State fiscal resources, but still allow investment capital to be mobilized by the Hawaii Strategic Development Corporation for Hawaii's high technology companies. Utilizing contingent tax credit financing mechanisms created by this bill appears to be an efficient means to meet these objectives. Your Committee understands that other states that are operating similar investment programs as contemplated in this measure have stressed the need to provide flexibility in the enabling legislation to ensure that the cheapest means of financing can be arranged. Many of these programs are around \$100,000,000 in total size for a ten-or twelve-year program, as this amount seems to support the cost of raising financing and create a meaningful presence in the venture capital industry.

Your Committee is strongly supportive of the concepts behind this measure, but prefers the language in S.B. No. 2290, S.D. 2, which was previously heard and approved by your Committee. Your Committee has amended this measure accordingly, by replacing the contents of this measure with language from S.B. No. 2290, S.D. 2, and provisions related to the Board of Directors contained in S.B. No. 2290, S.D. 1.

As amended, this measure:

- (1) Authorizes the Hawaii Strategic Development Corporation to administer the State Private Investment Fund (Fund);
- (2) Requires the Fund to be governed by a six-member board of directors, with four members recommended by the Board of the Hawaii Strategic Development Corporation;
- (3) Establishes provisions for investment capital guarantees;
- (4) Establishes requirements for seed capital and venture capital investments by the Fund, including priorities for entities with a commitment to the State;
- (5) Establishes confidentiality of trade secrets or the like, and requirements regarding disclosure of financial information;
- (6) Establishes limits on liability;
- (7) Amends the requirements for the Board of Directors of the Hawaii Strategic Development Corporation to require three members to have knowledge in venture or seed capital investment, investment management, or supervision of investment managers and investment funds;
- (8) Includes insurers under section 431:7-202, Hawaii Revised Statutes, in the tax credit provisions;
- (9) Replaces the \$36,000,000 total and the \$12,000,000 aggregate total limit on tax credits with unspecified amounts;
- (10) Authorizes unspecified amounts in tax credits and an unspecified limit on indebtedness; and
- (11) Changes the effective date from July 1, 2020, to 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 Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2945, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2945, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Hee).

**SCRep. 2822 (Joint/Majority) Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment and Economic Development and Technology on H.B. No. 2421**

The purpose of this measure is to establish various initiatives and appropriate funds to promote economic development for local food and energy businesses, ensure Hawaii is energy and food self-sufficient and sustainable, and help Hawaii's natural resources and population adapt to the inevitable challenges that will be brought about by climate change.

Specifically, this measure:

- (1) Removes the cap on the environmental response revolving fund;
- (2) Renames the "environmental response tax" the "environmental response, energy, and food security tax", increases the tax to \$1.05 per barrel of petroleum product, and exempts aviation fuel from the tax;
- (3) Allocates moneys collected by the environmental response, energy, and food security tax to the environmental response revolving fund, the energy security special fund, the energy systems development special fund, and the agricultural development and food security special fund;
- (4) Authorizes expenditures from the energy security special fund for various purposes to meet the objectives of the Hawaii Clean Energy Initiative Program and requires annual reporting on the use of the funds;
- (5) Establishes the Hawaii Economic Development Task Force, and appropriates an unspecified amount from the portion of the environmental response, energy, and food security tax that is deposited into the energy security special fund for the Task Force;
- (6) Establishes the agricultural development and food security special fund, into which a portion of the environmental response, energy, and food security tax shall be deposited;
- (7) Appropriates unspecified amounts from the agricultural development and food security special fund for various projects supporting the agricultural industry;
- (8) Establishes the Hawaii Clean Energy Initiative Program to design and implement a plan to transition the State to a clean energy economy by 2030, among other tasks;
- (9) Appropriates an unspecified amount from the energy security special fund for the Climate Change Task Force and the Greenhouse Gas Emissions Reduction Task Force;
- (10) Authorizes the Governor to establish positions necessary to manage renewable energy projects funded by federal grants; and
- (11) Includes a one-time transfer of \$10,000,000 from the energy security special fund to the general fund.

Testimony in support of the measure was submitted by fourteen organizations and four individuals. Two organizations support the intent, and one organization and one individual submitted comments. Testimony in opposition was submitted by two state agencies, one organization, and thirty individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that it is in the best interests of Hawaii's people to develop the capacity to become energy and food self-sufficient and protect human health and the function of Hawaii's natural environment. Your Committees recognize the concerns raised by many testifiers regarding the exclusion of coal and palm oil from this measure, and hope that these fuels will remain part of the continuing discussion. Your Committees believe that addressing the volatile petroleum market is a strong step toward Hawaii's energy and food security, because when world market prices go up, the people of Hawaii are forced to pay the increased price. Developing a clean energy economy is essential to stabilizing Hawaii's energy costs. According to the Blue Planet Foundation, recent polls indicate that two-thirds of Hawaii residents support a tax increase on barrels of petroleum if the revenue is dedicated to creating new clean energy systems and reducing Hawaii's dependence on oil. This measure is a comprehensive approach for Hawaii's clean energy future.

Your Committees further find that the recent discovery of coqui frogs in every district of Oahu except Waianae is compelling evidence to immediately increase funding for the prevention and eradication of harmful invasive species. This measure will dedicate \$1,000,000 for agricultural inspectors for the Department of Agriculture. Additionally, your Committees have increased the membership on the Hawaii Economic Development Task Force to better represent the citizens, because your Committees understand that this measure will disproportionately affect those citizens who drive long distances and thus use more petroleum for transportation.

Your Committees have amended this measure by:

- (1) Repealing certain sections of the measure on June 30, 2015, including sections:
  - (A) Removing the cap on the environmental response revolving fund;
  - (B) Renaming the "environmental response tax" the "environmental response, energy, and food security tax" and increasing the tax to \$1.05 per barrel of petroleum product;
  - (C) Allocating moneys collected by the environmental response, energy, and food security tax to the environmental response revolving fund, the energy security special fund, the energy systems development special fund, and the agricultural development and food security special fund;
  - (D) Authorizing expenditures from the energy security special fund for various purposes to meet the objectives of the Hawaii Clean Energy Initiative Program and require annual reporting on the use of the funds; and
  - (E) Establishing the agricultural development and food security special fund, into which a portion of the environmental response, energy, and food security tax shall be deposited;
- (2) Inserting a provision to clarify that when the agricultural development and food security special fund is repealed, any unexpended or unencumbered funds remaining shall lapse to the general fund;
- (3) Expanding the membership of the Hawaii Economic Development Task Force by directing the Speaker of the House of Representatives and the Senate President to each designate three members;
- (4) Providing that \$1,000,000 of the \$10,000,000 sum transferred from the energy security special fund shall be used to fund agricultural inspectors at the Department of Agriculture; and
- (5) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2421, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2421, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs and the Majority Leader on behalf of the Committees.

Ayes, 9; Ayes with Reservations (Baker, Ige). Noes, 1 (Slom). Excused, 5 (Bunda, English, Green, Hemmings, Takamine).

**SCRep. 2823 (Joint) Health and Transportation, International and Intergovernmental Affairs on H.B. No. 2170**

The purpose of this measure is to require the Department of Health to provide each county's real property assessment division with a monthly list of death records at no charge.

Your Committees received testimony in support of this measure from the County of Hawai'i Finance Department. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. Testimony in support of the intent of this measure with amendments was submitted by the City and County of Honolulu, Real Property Assessment Division; the County of Maui, Real Property Tax Division; and the County of Kauai, Real Property Assessment Division. Testimony in opposition to the intent of this measure with amendments was submitted by the Department of Health. Testimony commenting on this measure was submitted by the Office of the City Clerk, City and County of Honolulu; the Office of the County Clerk, County of Hawai'i; and the Office of the County Clerk, County of Maui. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that county real property tax divisions must maintain current information on the owners of all real property to ensure fair and equitable property tax assessments. When real property tax divisions rely on out-of-date information the hardship falls on taxpayers who will then have to pay recalculated taxes or may have tax liens and penalties due from taxes being sent to a deceased person's address. Your Committees find that by requiring the timely sharing of information between governmental agencies, this measure will facilitate the efficient and cost-effective administration of real property tax programs, thus enabling the public to be better served.

Your Committees have amended this measure by replacing its contents with S.B. No. 2611, S.D. 2. As amended, this measure:

- (1) Removes the purpose section;
- (2) Removes the requirement that the Department of Health make monthly submittals to county clerks and county real property assessment divisions of all persons of voting age or over whose deaths were recorded in the Department during the previous month;
- (3) Requires the county clerk and the real property assessment division of each county, respectively, to send to the Department of Health, at agreed upon intervals, an electronic list of the names, birth dates, the final four digits of social security numbers, and last known addresses of all persons who are registered to vote in the State and all persons who are real property owners with homeowners' tax exemptions for verification of death;
- (4) Permits the Department of Health to charge the county clerks a fee for verification of deaths;
- (5) Amends section 338-14.3, Hawaii Revised Statutes, by providing the Department of Health with limited flexibility concerning setting the fee for verifying information and directing that the fee be deposited to the credit of the Vital Statistics Improvement Special Fund;
- (6) Changes the amount of fees collected by the Department of Health for copies of certificates that the Director of Health must deposit to the credit of the Vital Statistics Improvement Special Fund;
- (7) Amends section 338-14.6, Hawaii Revised Statutes, by removing the requirement that moneys from the Vital Statistics Improvement Special Fund used to modernize Hawaii's vital statistics system not supplant other moneys allocated to that program for daily operations; and
- (8) Takes effect on July 1, 2009 for the purposes of facilitating further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2170, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2170, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and the Majority Leader on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2824 (Joint) Human Services and Health on H.B. No. 2774**

The purpose of this measure is to require the Department of Human Services to include specific provisions in each contract with managed care organizations for the provision of Medicaid benefits under QUEST plans. Specifically, this measure provides for a co-pay to be applied to services provided to QUEST benefit recipients.

Testimony in opposition to this measure was submitted by the Department of Human Services and the Hawaii Primary Care Association. Comments on this measure were submitted by the Hawaii Medical Service Association. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the State's worsening economy has impacted many state programs, including those overseen by the Department of Human Services which serves the neediest populations in Hawaii. To avoid deep and pervasive cuts to certain programs, your Committees find that other alternatives should be explored such as reducing some benefits in specific areas to save benefits in other areas. Your Committees also find that in a time of severe economic crisis, it is improper for any funds already allocated for Medicaid programs to be diverted to non-Medicaid programs.

Accordingly, your Committees have amended this measure by:

- (1) Inserting a section that requires the Department of Human Services to regulate antidepressant medications and to eliminate open access to all psychotropic medications other than antidepressants and antipsychotics;
- (2) Limiting the Department of Human Services and its contracted health plans' authority to impose restrictions or limitations on the coverage for, or a recipient's access to, only psychotropic medications that are antipsychotic medications and, with certain exceptions, antidepressant medications;
- (3) Prohibiting the Department of Human Services and its contracted health plans from requiring stable individuals on brand-name antidepressants or anti-anxiety medication to switch to a different antidepressant or anti-anxiety, respectively, with certain exceptions;
- (4) Amending the Department of Human Services' reporting requirements regarding the number and cost of prescriptions written pursuant to section 346-59.9, Hawaii Revised Statutes, relating to psychotropic medication;
- (5) Inserting a section that allows the Department of Human Services to issue death benefits in an amount equal to the Social Security Administration's lump-sum death benefit if an individual:
  - (A) Was receiving medical or financial assistance at the time of death; and
  - (B) Is ineligible to receive the Social Security Administration's lump-sum death benefit;
- (6) Inserting a provision that prohibits the Department of Human Services from spending Medicaid moneys on any programs other than Medicaid-related programs and programs approved by the Legislature;
- (7) Amending the effective date to July 1, 2050, to promote further discussion; and



(8) Making technical, nonsubstantive stylistic changes for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2774, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2774, 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, 1 (Hemmings).

**SCRep. 2825 Commerce and Consumer Protection on H.B. No. 2027**

The purpose of this measure is to clarify the allowable amount that a payee or holder in due course may charge for a dishonored check by removing the requirement of a reasonableness analysis in determining the maximum penalty for a dishonored check.

Your Committee received testimony in support of this measure from the Consumer Data Industry Association, Retail Merchants of Hawaii, and Legislative Information Services of Hawaii. Testimony with comments was received from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii is one of only six states that currently imposes a reasonableness standard in its statutory penalties for dishonored checks. Your Committee notes that a similar reasonableness standard is currently the subject of multistate, class action litigation in another jurisdiction. In light of Hawaii's minority position and the lack of clarity expressed by the current statute, your Committee finds that it is in the best interest of consumers in the State to remove the current statutory requirement that penalties for every dishonored check be subject to an individualized reasonableness analysis. Your Committee further finds that Hawaii's maximum penalty of \$30 per returned check, which remains unchanged by this measure, is equal to or lower than charges imposed in other jurisdictions.

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

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2027, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2027, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 2826 Higher Education on S.C.R. No. 44**

The purpose of this measure is to express support for the University of Hawaii at Hilo College of Pharmacy's efforts to obtain federal funding to establish the Big Island of Hawaii as a beacon community.

Testimony in support of this measure was submitted by the University of Hawaii at Hilo College of Pharmacy and the Hawaii Medical Service Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee supports the efforts of the University of Hawaii at Hilo College of Pharmacy, the Hawaii County Beacon Community Consortium, and other organizations in pursuing federal funding for the Big Island of Hawaii to participate in the Beacon Community Program. Your Committee finds that the Big Island of Hawaii's participation as a beacon community may ultimately yield significant statewide improvements in health information technology and exchange, enabling improved health and health care for Hawaii's residents.

Your Committee has amended this measure by 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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 44, 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. 44, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Sakamoto, Taniguchi).

**SCRep. 2827 Higher Education on S.R. No. 29**

The purpose of this measure is to express support for the University of Hawaii at Hilo College of Pharmacy's efforts to obtain federal funding to establish the Big Island of Hawaii as a beacon community.

Testimony in support of this measure was submitted by the University of Hawaii at Hilo College of Pharmacy and the Hawaii Medical Service Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee supports the efforts of the University of Hawaii at Hilo College of Pharmacy, the Hawaii County Beacon Community Consortium, and other organizations in pursuing federal funding for the Big Island of Hawaii to participate in the Beacon Community Program. Your Committee finds that the Big Island of Hawaii's participation as a beacon community may ultimately yield significant statewide improvements in health information technology and exchange, enabling improved health and health care for Hawaii's residents.

Your Committee has amended this measure by 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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 29, 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. 29, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Sakamoto, Taniguchi).

**SCRep. 2828 Judiciary and Government Operations on H.B. No. 1992**

The purpose of this measure is to extend the Intermediate Court of Appeals (ICA) judges' express authority to subpoena witnesses, compel the production of evidence, and administer oaths.

Testimony in support of the measure was submitted by the Judiciary. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee believes that it is important for the ICA judges to have the authority to subpoena witnesses, compel the production of evidence, and administer oaths to ensure that the ICA judges may fully carry out all of their responsibilities under current statutory provisions that grant the ICA the jurisdiction to receive or require new evidence on appeal. Your Committee notes that H.B. No. 1992, H.D. 1, retains a repeal date for these powers. However, a similar measure heard and approved by your Committee, S.B. No. 2149, deletes the repeal date altogether and makes these powers permanent. Your Committee believes that this is the better course of action.

Accordingly, your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 2149; and
- (2) Making the measure effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1992, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1992, 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 (Gabbard).

**SCRep. 2829 Judiciary and Government Operations on H.B. No. 2721**

The purpose of this measure is to authorize certified shorthand reporters to administer oaths and affirmations in the performance of their duties as deposition officers without the necessity of being notaries public.

Testimony in support of the measure was submitted by one private organization and eleven individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that currently, court rules provide that no person may take oral depositions for use in the courts of Hawaii, unless the person possesses a certificate as a Hawaii certified shorthand reporter issued by the Supreme Court through the Hawaii Board of Certified Shorthand Reporters. However, a shorthand reporter cannot administer the oath prior to taking an oral deposition outside a court unless the shorthand reporter is also a notary public. Your Committee believes that this is unnecessarily redundant and burdensome on shorthand reporters.

Your Committee has amended this measure by:

- (1) Deleting the reference in the measure to a specific court rule, because there are other analogous court rules governing persons before whom depositions may be taken, such as within the Hawai'i Family Court Rules and the District Court Rules of Civil Procedure, for example; and
- (2) Making the measure effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2721, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2721, 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 (Gabbard).

**SCRep. 2830 Health on Gov. Msg. No. 218**

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 218 GORDON M. DURANT, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Gordon M. Durant to have the necessary qualifications to be appointed to the State Council on Mental Health.

Your Committee received testimony in support of Gordon M. Durant's nomination to the State Council on Mental Health from the Department of Health and one member of the State Council on Mental Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Gordon M. Durant has an impressive history of community service. Before retiring from the Jorgensen Steel Company he was active in the Chamber of Commerce of Hawaii and served as the president of the Manufactures Association. Since his retirement Mr. Durant has served as the Director and Treasurer of Malama o Manoa and the Hawaiian Historic Society. He is currently the Director and President of the National Alliance on Mental Illness, Hawaii and is a member of the Mental Health and Substance Abuse Oahu Service Area Board and the State Council on Mental Health.

Your Committee finds that by appointing Gordon M. Durant to the State Council on Mental Health the Committee is adding a passionate and dedicated member who brings both personal and community experience to his position. Your Committee wishes to commend Mr. Durant for his current service on the Council where he is finishing the four-year term of a former council member and to recognize his longstanding commitment to disability rights.

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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2831 Health on Gov. Msg. Nos. 208, 209, 257, 258, and 259**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

- G.M. No. 208 JOANN W.L. YUEN, for a term to expire 6-30-2010;
- G.M. No. 209 JOANN W.L. YUEN, for a term to expire 6-30-2014;
- G.M. No. 257 CAROLINE M.T. CADIRAO, for a term to expire 6-30-2010;
- G.M. No. 258 CAROLINE M.T. CADIRAO, for a term to expire 6-30-2014; and
- G.M. No. 259 JOSHUA I. SMALLEY-BOWER, for a term to expire 6-30-2012

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds JoAnn W.L. Yuen, Caroline M.T. Cadirao, and Joshua I. Smalley-Bower to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

Testimony in support of the nomination of JoAnn W.L. Yuen was submitted by the State Council on Developmental Disabilities, the University of Hawai'i at Manoa Center on Disability Studies, and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

JoAnn W.L. Yuen has worked as a professor and administrator in university settings for the past fifteen years. She has focused her teaching and research on early intervention, especially pre-kindergarten programs that prepare disabled children for the school environment. Ms. Yuen has worked on several disability focused research projects, including a year researching with the National Center for the Study of Postsecondary Educational Supports Rehabilitation Research and Training Center, as well as having been published in several academic journals.

In addition to her professional and academic experience, Ms. Yuen brings to the Council her extensive participation in community and professional organizations. She is currently the Project Coordinator for Steppingstone, an organization focusing on literacy for English language learners with disabilities, and the Director of Hana Like and Halau Ku Mana New Century Charter School Mana Maoli Project, and has previously held positions and membership in several professional and community service organizations.

Your Committee finds that JoAnn W.L. Yuen's depth of knowledge of child and adolescent disability issues, her extensive experience in other disability focused organizations in a variety of capacities, and her excellent grant writing abilities will make her a valued member of the State Council on Developmental Disabilities. Your Committee appreciates Ms. Yuen's family-centered philosophy of care and welcomes her desire to serve her community.

Testimony in support of the nomination of Caroline M.T. Cadirao to the State Council on Developmental Disabilities was submitted by the Executive Office on Aging and the State Council on Developmental Disabilities.

Caroline M.T. Cadirao has extensive experience working with the elderly and with issues pertaining to aging. Ms. Cadirao currently works with the Department of Health Executive Office on Aging where she develops, manages, and administers awarded contracts for compliance with federal and state rules and regulations. Ms. Cadirao is very familiar with the Older Americans Act and has assisted in the development and implementation of community projects including the Healthy Aging Partnership, Elder Abuse Response Services, and Empowering Elders.

Before assuming her position with the Department of Health, Ms. Cadirao was the Program Director of Helping Hands Hawaii Retired and Senior Volunteer Program, where she collaborated with thirty non-profit and government entities to place senior volunteers. Prior to that Ms. Cadirao was the Program Coordinator of the Catholic Charities Hawaii Senior Center, a Housing Assistance Program Specialist, a Respite Connection Specialist, and a Residential Assistance Program Specialist, all of which focused on the elderly population.

Your Committee finds that Caroline M.T. Cadirao's extensive experience with the elderly population and her familiarity with government and non-profit organizations offering assistance to the elderly will bring a much needed perspective to the State Council on Developmental Disabilities. Your Committee hopes that Ms. Cadirao will improve collaboration between the elderly and disability networks to pool resources and experiences in order to provide better services to the disabled community.

Testimony in support of the nomination of Joshua I. Smalley-Bower was submitted by the State Council on Developmental Disabilities and three individuals.

While only twenty-eight years old, Joshua I. Smalley-Bower has already garnered impressive volunteer and community service, including representing Hawaii at the National Assistive Technology Conference in Washington, D.C., representing Hawaii at the National Youth Leadership Conference in Washington, D.C., and volunteering at Easter Seals Hawaii to teach computer skills to other youth. Mr. Smalley-Bower has already served on this Council on an interim basis working as a member of the Council's Community Supports Committee as well as serving as a member of the Self-Advocacy Advisory Council.

In addition to his community service, Mr. Smalley-Bower will bring his personal perspective to the State Council on Developmental Disabilities. Unlike the other nominees for this Council, Mr. Smalley-Bower has developmental disabilities and has worked hard for his self-determination. He can bring first person knowledge of the importance of accessible comprehensive medical care for persons with developmental disabilities.

Your Committee finds that Joshua I. Smalley-Bower has been and will continue to be an asset for the State Council on Developmental Disabilities. His personal experiences with the challenges facing people with developmental disabilities are invaluable to the Council's efforts to effectively address issues affecting the disabled community.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2832 Health on Gov. Msg. Nos. 215, 216, and 217**

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUA'I SERVICE AREA BOARD

G.M. No. 215 CRYSTAL LEE AGUINALDO, for a term to expire 6-30-2013;

G.M. No. 216 THOMAS E. DORSEY PHD, for a term to expire 6-30-2014; and

G.M. No. 217 BRENDA K. VIADO CRC, for a term to expire 6-30-2014

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Crystal Lee Aguinaldo, Thomas E. Dorsey, and Brenda K. Viado to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Kaua'i Service Area Board.

Testimony in support of Crystal Lee Aguinaldo's nomination to the Mental Health and Substance Abuse, Kaua'i Service Area Board was submitted by the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Crystal Lee Aguinaldo's professional experience in the mental health field includes employment with the Steadfast Housing Development Corporation, an organization dedicated to providing housing and employment opportunities to persons with serious and persistent mental illness, working as a peer coach with Mental Health Kokua, and as a Network of Care Peer Educator with the Hawaii Mental Health Transformation State Incentive Grant Department. Ms. Aguinaldo is currently working as a peer coach.

Your Committee finds that Crystal Lee Aguinaldo's experience in the mental health field, her personal experiences overcoming mental health issues, and her previous experience serving on the Mental Health and Substance Abuse, Kaua'i Service Area Board make her an excellent candidate for the Board. Your Committee recognizes her valuable insight and appreciates her dedication to her peers.

Testimony in support of Thomas E. Dorsey's nomination to the Mental Health and Substance Abuse, Kaua'i Service Area Board was submitted by the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Thomas E. Dorsey is a retired psychologist with over forty years of experience in the field of mental health. For fifteen of those years, Dr. Dorsey specialized in providing mental health and substance abuse treatment in the Kauai community. In addition to his extensive professional experience, Dr. Dorsey has previously served on the Mental Health and Substance Abuse, Kaua'i Service Area Board from 2002-2005 and again in 2008 through the present. Dr. Dorsey currently serves as the Vice-Chair of the Board.

Your Committee finds that Dr. Dorsey has been an asset for the Mental Health and Substance Abuse, Kaua'i Service Area Board and will continue to provide insight and understanding of mental health issues due to his depth of experience as well as his familiarity with the Board's areas of concern. Your Committee wishes to commend Dr. Dorsey for the leadership role that he has undertaken on the Board and hopes that he will continue his community involvement in his area of expertise.

Testimony in support of Brenda K. Viado's nomination to the Mental Health and Substance Abuse, Kaua'i Service Area Board was submitted by the Department of Health and the Department of Human Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Brenda K. Viado currently works as a certified rehabilitation counselor with the Kauai Branch Administrator of the Vocational Rehabilitation and Services for the Blind Division of the Hawaii Department of Human Services. Ms. Viado has worked with the Vocational Rehabilitation and Services for the Blind Division for more than thirty years and has garnered extensive knowledge of the challenges facing the disabled community.

Your Committee finds that Ms. Viado has served as the Chair of the Mental Health and Substance Abuse, Kaua'i Service Area Board and was recently reelected as Chair by her peers on the Board. This vote of confidence in Ms. Viado's leadership and insight into disability issues, in addition to Ms. Viado's extensive professional experience with the disabled community, makes her an exceptional candidate for reappointment 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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2833 Health on Gov. Msg. Nos. 289, 290, and 291**

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

- G.M. No. 289 LUCY MILLER PHD, for a term to expire 6-30-2014;  
G.M. No. 290 LYNN K. MURAKAMI-AKATSUKA, for a term to expire 6-30-2010; and  
G.M. No. 291 LYNN K. MURAKAMI-AKATSUKA, for a term to expire 6-30-2014

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Lucy Miller and Lynn K. Murakami-Akatsuka to possess the requisite qualifications to be nominated to the Disability and Communication Access Board.

Testimony in support of Lucy Miller's nomination to the Disability and Communication Access Board was submitted by the Disability and Communication Access Board and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Lucy Miller is a licensed psychotherapist who has worked in both private practice and for the Hawaii Department of Health Child and Adolescent Mental Health Division. Ms. Miller has extensive teaching experience. She served as an instructor of deaf culture and sign language at Kauai Community College and as an instructor of various elements of special education.

In addition to her professional experience, Ms. Miller is a member of the Mayor's Advisory Committee for Equal Access on the County of Kauai and is the current vice president of Toastmaster International of Kauai. Ms. Miller has a history of being active in her community and has served on the Board of Directors of the Hawaii Association of Marriage and Family Therapists, the State of Hawaii Disability and Communication Access Board, and the Hawaii State Coordinating Council on Deafness, and was the founder of the Mental Health Network for Professionals Serving the Deaf in California.

Your Committee finds that Lucy Miller's impressive professional and community experience will make her a valuable member of the Disability and Communication Access Board. Your Committee commends Ms. Miller for her extensive community participation and appreciates her willingness to use her expertise to improve the common good.

Testimony in support of Lynn K. Murakami-Akatsuka's nomination to the Disability and Communication Access Board was submitted by the Disability and Communication Access Board and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Lynn Murakami-Akatsuka holds a Master's of Public Health with a specialty in Community Health Education from the University of Hawaii at Manoa. Ms. Murakami-Akatsuka has worked as a Public Health Educator in Hawaii in the Waipahu and Central Oahu region as well as for the Department of Health where she was awarded the Sustained Superior Performance Award in 1990 and 2007. Ms. Murakami-Akatsuka is currently working as a planner for the Hawaii Department of Health in the Developmental Disabilities Division where she is responsible for program planning, development and evaluation, and ensuring that appropriate services and supports are reaching individuals with developmental disabilities on a statewide basis.

Ms. Murakami-Akatsuka has been and continues to be extremely active in professional and community organizations. She is currently a member of the Hawaii Public Health Association and held membership with the Imua Project for successful transitioning for youth with disabilities, the West Honolulu Community Children's Council, and the Society of Prospective Medicine to name a few.

Your Committee finds that Lynn K. Murakami-Akatsuka's academic and professional focus on community health and her planning work with the Department of Health will bring important experience and insight to the Board. Your Committee commends Ms. Murakami-Akatsuka for her active participation in her community.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2834 Health on Gov. Msg. Nos. 213 and 214**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, KAUAI SUBAREA

- G.M. No. 213 KATHLEEN A. CLARK, for a term to expire 6-30-2010; and

G.M. No. 214 KATHLEEN A. CLARK, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Kathleen A. Clark to possess the requisite qualifications to be nominated to the Health Planning Council, Kaua'i Subarea.

Your Committee received testimony in support of Kathleen A. Clark's nomination from the Department of Health and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Kathleen A. Clark holds a Bachelor of Science degree in nursing and a Master's in Business Administration. Currently Ms. Clark is the President and Chief Executive Officer of the Wilcox Memorial Hospital in Lihue, Hawaii. As Chief Executive Officer, Ms. Clark guided the hospital through a strike and has continued to improve community relations and the quality of patient care at the hospital. Prior to her current position, Ms. Clark held a variety of leadership positions in the health care field, including Chief Nurse Executive/Director of Nursing, Director of Community, Clinical Nursing, Outreach, and Nutrition, Director of Emergency Services, Interim Director of Intensive Care Units, and Administrative Director of Emergency and Trauma Services.

In addition to her impressive professional achievements, Ms. Clark has served on many health-related committees, including a Trauma Audit Committee, Child Physical Abuse and Neglect Taskforce, Kauai Economic Development Board, Kauai Rural Health Board, and the Arthritis Foundation Hawaii Branch.

Your Committee finds that Kathleen A. Clark's extensive experience in a large cross-section of nursing and health care administrative positions gives her a breadth and depth of medical experience that is desirable in members of the Health Planning Council, Kaua'i Subarea. Her leadership skills and familiarity with the Kauai medical community will make her an effective and insightful addition to the Council.

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 qualification of the nominee, has found the nominee to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2835 Health on Gov. Msg. Nos. 260, 261, and 262**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, TRI-ISLE SUBAREA

G.M. No. 260 ANNE TRYGSTAD, for a term to expire 6-30-2010;

G.M. No. 261 ANNE TRYGSTAD, for a term to expire 6-30-2014; and

G.M. No. 262 MARTHA J. TURNER, for a term to expire 6-30-2013

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Anne Trygstad and Martha J. Turner to possess the requisite qualifications to be nominated to the Health Planning Council, Tri-Isle Subarea.

Testimony in support of Anne Trygstad's nomination to the Health Planning Council, Tri-Isle Subarea, was submitted by the Department of Health and the Department of Human Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Anne Trygstad has extensive healthcare experience both in a medical setting and in the community. Ms. Trygstad is currently the coordinator of the Registered Nurse Community Project, a program that provides outreach and health education to the community. Throughout her career Ms. Trygstad has received several noteworthy honors, including the Innovation Award for the "Going Home" Program and the Hawaii Pacific Gerontological Society Na Lima Kokua Ma Waena O Makua Award for Contribution to the Science of Gerontology.

In addition to her impressive professional experience, Ms. Trygstad has long been an active member of her community. She is currently the Vice-Chair of the Mayor's Council on Health and Co-Chair of the Policy and Advocacy section of the Aging with Aloha Coalition.

Your Committee finds that Anne Trygstad's long experience in the medical field in addition to her community participation makes her an excellent candidate for the Health Planning Council, Tri-Isle Subarea. Your Committee applauds Ms. Trygstad's civic mindedness and appreciates her dedication and passion for improving health care in our communities.

Your Committee received testimony in support of Martha J. Turner's nomination to the Health Planning Council, Tri-Isle Subarea from the Department of Health and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Martha J. Turner has over twenty years of experience in the health care field. Ms. Turner's professional background includes surgical, pediatric, home health, and clinic nursing experience. Her level of responsibility has steadily increased throughout her career and Ms. Turner is currently employed as the Manager of the Kaiser Permanente Wailuku Clinic and Manager of Nursing Services for Wailuku and Maui Lani Clinics.

Ms. Turner currently serves as an Advisory Board member for the Maui Community College Nursing Department.

Your Committee finds that Martha J. Turner's vast experience with many different facets of the nursing profession would make her an invaluable member of the Health Planning Council, Tri-Isle Subarea. Her familiarity with the Maui community and its specific health care needs will bring an important perspective to the Council.



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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2836 Health on Gov. Msg. No. 211**

Recommending that the Senate advise and consent to the nomination of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 211 MARCIANO D. AQUINO, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Marciano D. Aquino to possess the requisite qualifications to be nominated to the Emergency Medical Services Advisory Committee.

Testimony in support of Marciano D. Aquino's nomination to the Emergency Medical Services Advisory Committee was submitted by the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Marciano D. Aquino holds a Master's degree in Business Administration and is the current President and owner of the Hawaii Billing Service, Inc. Prior to that, Mr. Aquino worked as a business service manager with the St. Francis Medical Center for more than twenty years.

Your Committee finds that Marciano D. Aquino's vast business experience in the medical field will be a valuable asset to the Emergency Medical Services Advisory Committee, particularly in light of the Committee's work with electronic record-keeping systems. Your Committee appreciates Mr. Aquino's willingness to share his expertise and to work toward the goal of improving our community's medical services.

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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2837 Health on Gov. Msg. Nos. 204, 205, 206, and 207**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 204 JOAN M. BELLARD, for a term to expire 6-30-2014;

G.M. No. 205 ANNEMARIE L. KALAMA, for a term to expire 6-30-2010;

G.M. No. 206 ANNEMARIE L. KALAMA, for a term to expire 6-30-2014; and

G.M. No. 207 JOSEPH CURTIS TYLER III, for a term to expire 6-30-2014

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joan M. Bellard, AnneMarie L. Kalama, and Joseph Curtis Tyler III to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

Testimony in support of Joan M. Bellard was submitted by the State Council on Developmental Disabilities. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Joan M. Bellard has extensive experience working in the healthcare field, first at Maui Memorial Medical Center and then at Kaiser Permanente Kahului. Since her retirement, Ms. Bellard has volunteered with the Special Olympics and the Developmental Disability Committee on Maui.

In addition to her other volunteer experience, Ms. Bellard has been a member of the State Council on Developmental Disabilities since 2006 and during her service she has taken an active role on the Council, serving as Chair of the Maui Developmental Disabilities Committee and Co-Chair of the Council's Employment and Education Committee.

Your Committee finds that Joan M. Bellard's prior experience with the Council and her personal experience as a parent of a disabled child as well as her enthusiasm and dedication to the disabled community have made her a valuable asset to the State Council on Developmental Disabilities. Your Committee wishes to commend her for her selfless service and applaud her passion and commitment.

Testimony in support of the nomination of AnneMarie L. Kalama was submitted by the State Council on Developmental Disabilities. Written testimony presented to the Committee may be reviewed on the Legislature's website.

AnneMarie L. Kalama currently works with the Department of Education Special Education Section as an Educational Specialist. Throughout her career she has worked in the special education field in a variety of positions, including as the district educational specialist on autism, a special education coordinator, head of a special education department, as a special education consultant, and as a special education teacher.



Ms. Kalama has applied her extensive knowledge of special education and special needs children by serving on many community organizations, including Strategies for Teaching Based on Autism Research, Social Thinking, and, most recently, the State Council on Developmental Disabilities. Since her appointment to the State Council on Developmental Disabilities, Ms. Kalama has participated on the Council's Employment and Education Committee.

Your Committee finds that AnneMarie L. Kalama's vast experience in the special education field has provided and will continue to provide the Council with valuable information about the issues facing children with disabilities, how schools can help, and what is necessary to achieve quality education for disabled children.

Testimony in support of the nomination of Joseph Curtis Tyler III was submitted by the State Council on Developmental Disabilities. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Joseph Curtis Tyler III has had an impressive and varied career which includes time spent as a teaching assistant in anthropology, a stint in the Navy, four years as an Aquatics Instructor, several as a realtor, a number of years as the organizer, producer, and director of the ULTRAMAN Endurance Challenge, Chair of the Human Services and Economic Development Committee of the Hawaii County Council and, most recently, Hawaiian Cultural Resource Advisor, and Property Manager and Trustee. As varied as his professional career has been, his volunteer experience is even more diverse, including athletic accomplishments, church activities, and community planning and safety activities.

Joseph Curtis Tyler III has already served on the State Council on Developmental Disabilities, having been appointed from 1995-2003. During that time he served as chair for three years. Currently Mr. Tyler is the Vice Chair of the Council and Co-Chair of the Community Supports Committee.

Your Committee recognizes Joseph Curtis Tyler III's previous and current successful service on the Council and believes that he will continue to have much to offer in the future. His experience as guardian to his disabled brother and his interest in such a wide-ranging array of fields brings a unique perspective of the opportunities and challenges facing the disabled community.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2838 Health on Gov. Msg. No. 210**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

G.M. No. 210 TAMAH-LANI S.K. NOH, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Tamah-Lani S.K. Noh to have the necessary qualifications to be appointed to the Hawaii'i Advisory Commission on Drug Abuse and Controlled Substances.

Testimony in support of Tamah-Lani S.K. Noh's nomination to the Hawaii'i Advisory Commission on Drug Abuse and Controlled Substances was submitted by the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Tamah-Lani S.K. Noh has extensive experience in the fields of drug control and substance abuse. Mrs. Noh worked as the Drug Demand Reduction Administrator, the Executive Support Officer, and then as the Acting Counterdrug Coordinator for the Counterdrug Support Program. She is currently the Counterdrug Coordinator for the State of Hawaii where she manages a \$4.5 million budget and forty-five National Guard members in support of marijuana eradication, drug demand reduction and community-based organization, and a substance abuse prevention and testing program.

Mrs. Noh has volunteered her time on numerous drug control task forces and committees. Most recently she served on the Government Wellness Task Force, the Governor's Committee on Crime, and the Hawaii Advisory Commission on Drug Abuse and Controlled Substance, of which she was elected chairperson.

In addition to her impressive professional credentials, Mrs. Noh has experience with the human face of drugs as well. She is a certified substance abuse counselor in Hawaii and has counseled individuals, families, and groups in federal drug after care and adolescent treatment programs.

Your Committee finds that Tamah-Lani S.K. Noh's extensive professional and volunteer experience in the field of substance abuse and drug control will make her a valuable asset to the Hawaii'i Advisory Commission on Drug Abuse and Controlled Substances.

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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2839 Health on Gov. Msg. No. 212**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF HEALTH

G.M. No. 212 KEVIN D. CASSEL, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Kevin D. Cassel to have the necessary qualifications to be appointed to the Board of Health.

Testimony in support of Kevin D. Cassel's nomination to the Board of Health was submitted by the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Kevin D. Cassel received a Bachelor of Arts in psychology and a Master of Public Health with a concentration in epidemiology from the University of Hawai'i at Manoa. Throughout his career he has held a series of positions of increasing expertise with his experience ranging from facilitating the rehabilitation of adjudicated delinquent juveniles at a youth detention center to serving as a Cancer Information Specialist and Outreach Coordinator to his current position of Partnership Program Coordinator for the Cancer Information Service of the National Cancer Institute, where his work was honored with the Spirit of the Cancer Information Service Award in 2001 and 2007.

In addition to his profession accomplishments, Mr. Cassel's work has been featured in over fifteen publications. He also currently serves on the Hawaii Board of Health, the Board of Directors of the Victory Ohana Prison Fellowship, and the Pearl City Neighborhood Board.

Your Committee finds that Kevin D. Cassel's breadth of experience in the health field makes him a valuable member of the Board of Health. Your Committee further wishes to recognize Mr. Cassel's previous service on the Board of Health and lauds his dedication to improving the state of our community's healthcare.

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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2840 Health on Gov. Msg. Nos. 263 and 264**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WINDWARD OAHU SUBAREA

G.M. No. 263 JOHN C. KEENE, for a term to expire 6-30-2010; and

G.M. No. 264 JOHN C. KEENE, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume and statement submitted by the nominee and finds John C. Keene to possess the requisite qualifications to be nominated to the Health Planning Council, Windward Oahu Subarea.

Testimony in support of John C. Keene's nomination to the Health Planning Council, Windward Oahu Subarea, was submitted by the Department of Health and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

John C. Keene's experience in the healthcare field and his managerial experience have provided him with the skills and knowledge necessary to be an effective member on the Health Planning Council, Windward Oahu Subarea. Mr. Keene began his work at the St. Francis Healthcare System in 2001 as a clinical speech-language pathologist and was steadily promoted until he reached his current position as Foundation Programs Director. During his rise, Mr. Keene gained experience in acute, outpatient, and home care settings.

Your Committee finds that Mr. Keene's background in healthcare and his keen interest in meeting the needs of our kupuna make him an excellent candidate for the Health Planning Council, Windward Oahu Subarea.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2841 Health on Gov. Msg. No. 292**

Recommending that the Senate advise and consent to the nomination of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 292 RICHARD E. MEIERS, for a term to expire 6-30-2012

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Richard E. Meiers to have the necessary qualifications to be appointed to the Statewide Health Coordinating Council.

Testimony in support of the nominee was submitted by one state agency, one private organization, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Richard E. Meiers has extensive experience both in military and civilian settings including Ambulance Company Commander and Headquarters Company Commander of the 7th Medical Battalion in Korea, Clinic Administrator at domestic and international Army hospitals, Chief of Staff at Army Medical Centers in Colorado and Honolulu, and, most recently, President and Chief Executive

Officer of the Healthcare Association of Hawaii. He holds a Master's degree in Hospital Administration from Baylor University and received the 1996 Distinguished Alumni of the Year Award from the U.S. Army/Baylor University Program in Health Administration.

Mr. Meiers' participation with and leadership of business, community, and government committees is noteworthy in both its breadth and scope. He is presently serving on numerous committees and task forces, a sampling of which includes the Nationwide Medicaid Hospital Association Coalition, Hawaii Health Systems Corporation Board of Directors, the Hawaii Chamber of Commerce Healthcare/Tourism Administrative Steering Committee and Health Care Reform Committee, Hawaii's Uninsured Project, the University of Hawaii at Manoa School of Nursing Advisory Board, and the California Healthcare Insurance Board.

Your Committee finds that Mr. Meiers' depth of knowledge and experience in Hawaii's health care system would make him a valuable contributor to the Statewide Health Coordinating Council's work in revising the Hawaii State Health Services and Facilities Plan and overseeing health care planning for Hawaii's residents.

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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2842      Judiciary and Government Operations on Gov. Msg. No. 220**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 220    ELIZABETH KENT, for a term to expire 6-30-2014

Testimony in support of the nomination of Ms. Elizabeth Kent was submitted by one state agency and ten individuals. The nominee also submitted a statement. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Kent obtained a Bachelor of Arts degree magna cum laude from the University of Colorado, and a Juris Doctor degree from the William S. Richardson School of Law, where she served on the law review. Since 1996, she has served as the Director of the Hawaii Judiciary's Center for Alternative Dispute Resolution. Prior to her position as Director, she worked as a Research Analyst with the Center from 1994 to 1996. Between 2001 and 2002, during a leave of absence from her work with the Center, she was the Deputy Director of the Department of Human Services. Between 1988 and 1994, she worked in private practice as an associate with the law firm of Paul, Johnson, Park & Niles, concentrating her practice in all aspects of commercial litigation. From 1990 to 1996, she also worked as a lecturer at the University of Hawaii, teaching graduate and undergraduate courses in business law. Between 1986 and 1987, Ms. Kent was a Staff Attorney with the United States Court of Appeals for the Ninth Circuit. From 1985 to 1986, Ms. Kent was a Law Clerk for the United States Court of Appeals for the Second Circuit.

Ms. Kent has served as a Commissioner on the Uniform Law Commission (Commission) since 1988. She also serves as a member of the National Conference of Commissioners on Uniform State Laws' Drafting Committee on a Uniform Collaborative Law Act. Her commitment to the Commission is evidenced not only by her hard work with the Commission, but also by her willingness to expend her own funds to attend national meetings when funding from the State has not been available. Testimony submitted by other Commissioners praised her careful review and consideration of the uniform laws on a line-by-line, and sometimes word-by-word basis, but also her ongoing communication with groups and individuals who may be interested in the new uniform acts to get their input. Your Committee believes that allowing Ms. Kent to continue to serve on the Commission will permit her to further this important work.

Based on the nominee's qualifications and experience, your Committee finds that Ms. Kent 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 Government Operations 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, 1 (Bunda).

**SCRep. 2843      Public Safety and Military Affairs on H.C.R. No. 70**

The purpose of this measure is to recognize and commend those who provide support to the families of deployed members of the Armed Forces, and to honor military families and the nongovernmental organizations that support them.

Your Committee received testimony in support of this measure from one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The families of members of the Armed Forces provide unconditional love and support to their loved ones serving in the Armed Forces before, during, and after their deployment in service to the United States. By providing this vital support, these families provide an essential service to their country, along with their deployed family members.

Nonprofit organizations help to ensure that children of military families receive the support they need while their parents are deployed. These programs and organizations help the families of deployed Armed Forces members to maintain as normal a life as possible through services and grants that provide resources that might otherwise be unavailable to these families.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 70, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Hemmings, Kidani).

**SCRep. 2844 (Joint) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on H.B. No. 2351**

The purpose of this measure is to require an applicant for a special number plate for military service to provide a copy of the applicant's most recent discharge paper or separation document that indicates an honorable discharge or general (under honorable conditions) discharge from active duty.

Your Committees received testimony in support of this measure from one state government agency, one county agency, and one private entity. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The intent of this measure is to preserve the integrity of the special license plates available to veterans of military service. Veteran license plates identify individuals who have provided military service to this country and are a symbol of the gratitude of the general public for their honorable service. Individuals with a less than honorable discharge should not be afforded this recognition. This measure remedies this situation by requiring proof of honorable discharge or general discharge under honorable conditions.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2351, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2351, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 4 (Bunda, Hemmings, Kidani, Nishihara).

**SCRep. 2845 Public Safety and Military Affairs on S.C.R. No. 100**

The purpose of this measure is to recognize aerospace as a strategic and timely growth industry for Hawaii, and to request the state administration to take proactive, coordinated, and sustained action to fully realize the significant scientific, educational, and commercial benefits the aerospace industry can bring to the State.

Your Committee received testimony in support of this measure from one state department, one public university, nineteen private entities, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Historically, Hawaii has played a seminal role in developing the nation's space program, beginning with astronaut training for the Apollo lunar missions and the development of world-class observatories on the Big Island, and leading to a variety of nationally-funded programs in planetary geosciences, satellite communications, space-based remote sensing and environmental monitoring, deep-space surveillance, and other aerospace-related activities sponsored by the University of Hawaii, the U.S. military, and numerous companies statewide.

Hawaii's strategic assets include its unique mid-Pacific location, moon- and Mars-like terrain, resident expertise covering a broad range of aerospace-related technologies, and long-standing ties with space-faring nations throughout the Asia-Pacific region. Hawaii affords strategic assets and capabilities that can be leveraged to help realize humankind's full potential in space, and in so doing engage our State as a major contributor to and beneficiary of the global space enterprise.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 100 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Hemmings, Kidani).

**SCRep. 2846 Education and Housing on S.C.R. No. 142**

The purposes of this measure is to request the Hawaii Educational Policy Center to convene a policy group to recommend a suitable process by which the Department of Education may determine its core mission and core functions.

The Concurrent Resolution also requests the Legislative Reference Bureau to perform research on the core mission and core functions of other school districts and to provide information on the process these school districts have used to determine their respective core mission and core functions.

The Hawaii Educational Policy Center supported the intent of this measure. The Department of Education submitted testimony expressing concerns about the measure. The Legislative Reference Bureau submitted comments on the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Department of Education, the Legislature, the Governor, and the general public appear to lack a clear understanding or determination of the Department of Education's core mission and functions. This deficiency has led to confusion with respect to distinguishing between the Department's essential duties and those responsibilities that are beneficial but perhaps not as critical to public education. A determination of the Department's core mission and functions will allow the Department to more easily justify or assess the need for its programs and services to ultimately provide an efficient and effective public education system.

Your Committee has amended the Concurrent Resolution by:

- (1) Clarifying that the research requested of the Legislative Reference Bureau involves "selected" school districts;

- (2) Requesting the Legislative Reference Bureau to identify the core mission and functions of these selected school districts rather than the processes used to identify them;
- (3) Requesting the Legislative Reference Bureau and the policy task force to submit separate reports to the Legislature in order to ensure timely responses; 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 and 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, 2 (Chun Oakland, Hemmings).

**SCRep. 2847 Education and Housing on S.C.R. No. 110**

The purpose of this measure is to request the establishment of a working group to develop a comprehensive plan to improve awareness of and strengthen support for persons with dyslexia.

Testimony in support of this measure was submitted by one state agency, six private organizations, and six individuals. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would equip educators with the skills and experience to help recognize learning disabilities, such as dyslexia, in their students and select appropriate teaching strategies that will enhance their students' learning.

Your Committee has amended this measure by:

- (1) Adding language to request a representative of the University of Hawaii to serve as a member of the working group;
- (2) Clarifying that the working group is requested to develop a comprehensive plan to improve awareness of and strengthen support for persons with dyslexia, rather than both a comprehensive policy and a comprehensive plan;
- (3) Changing the deadline for submission of the comprehensive plan to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2012, to allow the working group more time to develop the plan; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 110, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 110, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 2848 Education and Housing on S.C.R. No. 109**

The purpose of this measure is to request the Auditor to perform a study of whether the Hawaii State Public Library System should be transferred from administration by the Board of Education to another state agency.

Testimony in support of this measure was submitted by one individual. Testimony in opposition to this measure was submitted by one state agency. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In light of important differences between the missions and service populations of the Board of Education (and the Department of Education) and the Hawaii State Public Library System (HSPLS), and given the Department of Education's budgetary challenges, questions have been raised about whether the HSPLS would be more appropriately administered by another state agency. The Department of Accounting and General Services (DAGS) already performs certain critical functions and services for the HSPLS, and your Committee finds that transferring the remainder of the administrative responsibilities of operating the HSPLS to DAGS would be prudent at this time.

Your Committee also finds that requiring the State Auditor to perform a study on whether the administrative duties of operating the HSPLS should be transferred to another agency would be time consuming and unnecessary. Rather, requesting the HSPLS and DAGS to develop a plan for the proposed transfer of the HSPLS from administration by the Board of Education to DAGS would allow the Legislature to review the plan and take appropriate action in a timely manner.

Accordingly, your Committee has amended this measure by:

- (1) Removing the language that requests the Auditor to perform a study of whether the HSPLS should be transferred from administration by the Board of Education to another agency;
- (2) Adding language that requests the HSPLS and DAGS to develop a transition plan for the proposed transfer of the HSPLS to the administration of DAGS;
- (3) Amending its title to reflect the amended purpose; 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 Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 109, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 2849 Education and Housing on S.C.R. No. 108**

The purpose of this measure is to request the convening of a task force to establish a consistent funding formula, process, or both, by which equitable funding to charter schools is determined.

Testimony in support of this measure was submitted by one state agency, one private organization, and two individuals. Testimony in support of the intent of this measure was submitted by one state agency and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that charter schools should receive an amount of funding that is equivalent to that of public non-charter schools. There is a lack of consensus in determining the per-pupil allocation for charter schools. By convening a task force comprising the key players in charter school funding, this measure would be a major step toward the development of a funding formula or process to effect fair and consistent funding for Hawaii's charter schools.

Your Committee has amended this measure by:

- (1) Adding the Executive Director of the Hawaii Charter Schools Network, or the Executive Director's designee, and a representative of the Charter School Review Panel to the list of members requested to participate in the Charter Schools Funding Task Force; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 108, 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. 108, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 2850 Education and Housing on S.C.R. No. 95**

The purpose of this measure is to request that a task force be established to identify the library services needed in underserved communities and to seek community sources of funding to offset the loss of funding to libraries.

Testimony in support of this measure was submitted by two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Libraries have served as a clearinghouse of valuable information and resources for communities throughout the State. The budgetary cuts to the Hawaii State Public Library System have resulted in reduced services and hours of operation for state libraries. Your Committee finds that this measure jump starts discussions and collaboration among community members and representatives of public and private sector organizations to assess the needs of libraries in underserved communities and to find alternative sources of funding to restore the provision of important library services.

Your Committee has amended this measure by 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 Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 95, 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. 95, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 2851 Transportation, International and Intergovernmental Affairs on S.C.R. No. 126**

The purpose of this measure is to urge the International Civil Aviation Organization to grant Taiwan meaningful participation in the activities, meetings, and mechanisms of the International Civil Aviation Organization.

This measure also urges the International Civil Aviation Organization to grant Taiwan:

- (1) Observership in International Civil Aviation Organization decision-making bodies;
- (2) Observership in International Civil Aviation Organization technical meetings, such as Regional Air Navigation Meetings and Division-type Air Navigation meetings;
- (3) Participation in International Civil Aviation Organization mechanisms such as the Public Key Directory; and
- (4) Direct contact with the International Civil Aviation Organization and its Asia and Pacific office; and

Your Committee received testimony in support of this resolution from two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.



The International Civil Aviation Organization is a one-hundred-ninety-member state United Nations specialized agency established pursuant to the Convention on International Civil Aviation in 1944 that aims to develop the principles and techniques of international air navigation as well as to foster the planning and development of international air transport. Taiwan has been excluded from the International Civil Aviation Organization since 1971, rendering it extremely difficult to obtain and verify information from the International Civil Aviation Organization to ensure currency and completeness of data on aviation standards and norms. Taiwan needs to bring its civil aviation practices in line with world standards to ensure the integrity of the international air safety and security network, promote cultural exchange, business, trade and tourism, and enhance the convenience of international passengers.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 2852 (Majority) Labor on H.B. No. 1868**

The purpose of this measure is to:

- (1) Prohibit civil service employees who accept an appointed position from returning to their civil service positions one year or more later; and
- (2) Provide an exception for employees covered by collective bargaining agreements that allow a longer leave of absence to be granted.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition of this measure was submitted by one state agency and two county agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an extended period of time between an individual transferring from a civil service position to an appointed position and back to the original civil service position has the potential to lead to disruptions in the efficiency and effectiveness of government operations. Your Committee also finds that, except for employee's who are covered under a collective bargaining agreement that has a contrary leave of absence provision, limiting an employee's leave of absence and the corresponding right-to-return to the employee's original civil service position to a period that is less than one year will enhance the operational aspects of departments that employ civil service workers.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1868, 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, 2. Noes, 1 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 2853 Commerce and Consumer Protection on H.B. No. 2289**

The purpose of this measure is to provide necessary protection to holders of gift certificates by:

- (1) Extending the minimum expiration period for gift certificates, other than paper gift certificates, from not less than two years to not less than five years;
- (2) Clarifying that paper gift certificates shall not have an expiration date that is less than two years from the date of issuance of the certificate;
- (3) Allowing limited issuance or activation fees;
- (4) Amending the definition of "gift certificate"; and
- (5) Defining "service fee" to exclude activation or issuance fees.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association, the Hawaii Credit Union League, Visa Inc., and one individual. Testimony in support of the intent of this measure with amendments was submitted by the Department of Commerce and Consumer Affairs. Testimony offering comments on this measure was submitted by the Division of Financial Institutions of the Department of Commerce and Consumer Affairs and Retail Merchants of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under the current law, Hawaii's definition of gift cards includes prepaid debit cards and state banks are prohibited from issuing them. Because Hawaii's gift card law does not apply to federally chartered banks and savings associations, those institutions are free to issue prepaid debit cards, placing state chartered banks at a competitive disadvantage. This measure aims to harmonize Hawaii's definition of gift cards with the federal law adopted as part of the Credit Card Act of 2009, thus helping state chartered banks to compete in the Hawaii market.

Your Committee further finds that extending the expiration date of gift cards is also consistent with the Credit Card Act of 2009 and is more consumer friendly than the previous expiration date of two years. However, your Committee recognizes that the cost of keeping accounts open for up to five years, as well as the cost of issuing and maintaining open-loop prepaid cards, is greater than the costs of one-use paper cards and a one time activation or issuance fee will help to allay these costs.

Your Committee has amended this measure by:

- (1) Extending the expiration date of both paper and plastic certificates to at least five years;

- (2) Imposing activation or issuance fees on gift cards not to exceed ten per cent of the face value of the card or \$5, whichever is less; and
- (3) Making the measure effective on July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2289, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2289, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Sakamoto).

**SCRep. 2854 (Joint) Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs on H.B. No. 1927**

The purpose of this measure is to provide relief for owner-builders who must sell or lease a property prior to the expiration of the one-year prohibition on sales provided in section 444-2, Hawaii Revised Statutes, by:

- (1) Exempting from the prohibition the sale or lease of a property by an owner-builder prior to the expiration of the one-year period due to an eligible unforeseen hardship, as determined by the Contractors License Board (Board);
- (2) Requiring the Board to determine the eligibility of an unforeseen hardship upon application by an owner prior to the sale or lease and to notify the owner of its determination within ninety days of the Board's receipt of a complete application;
- (3) Adding an exemption from the one-year prohibition for construction or improvements performed pursuant to a building permit that indicates that the estimated value of the work to be performed is less than \$10,000;
- (4) Defining "completion" of the construction or improvements as the date of final inspection approval by the county; and
- (5) Establishing fines for an owner-builder who fails to comply with the requirements set forth in the disclosure statement.

Your Committees received testimony in support of this measure from the Board and the Hawai'i Association of Realtors. Testimony with comments on this measure was received from Department of Commerce and Consumer Affairs. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that, due to the current economic climate, owner-builders who may have initially intended to construct or improve their property for their own use may find themselves in difficult financial situations that require them to put their property up for sale within the one-year prohibition period. Your Committees further find that this measure is intended to allow the Board to provide these owner-builders the assurance that they will not be found in violation of section 444-2, Hawaii Revised Statutes, if they offer their property up for sale or lease. Additionally, this measure will enable an owner-builder to obtain the services of a realtor when listing the property, because, currently, realtors are justifiably reluctant to service such clients for fear of jeopardizing their own licenses.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2010; and
- (2) Making technical, nonsubstantive changes for purposes of style and to correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1927, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1927, 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, 6. Noes, none. Excused, 5 (Ige, Ihara, Nishihara, Sakamoto, Slom).

**SCRep. 2855 (Joint/Majority) Education and Housing and Transportation, International and Intergovernmental Affairs on S.C.R. No. 93**

The purpose of this measure is to request the Hawaii Housing Finance and Development Corporation to review the feasibility of developing single room occupancy dwellings in transit oriented development projects to alleviate the affordable housing shortage.

Testimony in support of this measure was submitted by one county agency and one individual. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Hawaii residents face increasingly serious problems of traffic congestion, a lack of affordable housing, and homelessness. Your Committees find that the exploration of innovative ideas, such as the development of single room occupancy (SRO) dwellings in transit oriented development projects, may provide one feasible solution to these problems. Implementation of this measure is a necessary first step in exploring the development of SRO dwellings.

Your Committees have learned that the City and County of Honolulu is actively engaging in neighborhood transit-oriented development efforts. Therefore, your Committees find that the City and County of Honolulu would be a more appropriate agency to perform the feasibility study requested by this measure.

Accordingly, your Committees have amended this measure by:

- (1) Inserting information on the City and County of Honolulu's ongoing transit oriented development efforts;
- (2) Replacing the Hawaii Housing Finance and Development Corporation with the City and County of Honolulu as the agency requested to perform the review requested by this measure;
- (3) Amending the title to reflect the amended purpose of this measure; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs 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, 7. Noes, 1 (Slom). Excused, 3 (English, Gabbard, Tsutsui).

**SCRep. 2856 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on S.C.R. No. 117**

The purpose of this measure is to express support for the building of modular and factory manufactured homes in Hawaii.

Testimony in support of this measure was submitted by one county agency, one private organization, and two individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees support the building of modular and factory manufactured homes as an innovative means of achieving desirable outcomes in a number of areas, including job creation, recovery from natural hazard damages, energy efficiency, and affordable housing.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 117, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 117, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (English, Gabbard, Tsutsui).

**SCRep. 2857 Education and Housing on S.C.R. No. 107**

The purpose of this measure is to request a report to the Legislature regarding information on the public school junior kindergarten program.

Testimony in support of this measure was submitted by two state agencies, one private organization, and one individual. Comments were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure addresses some of the informational needs to improve the public school junior kindergarten program. Testifiers on this measure proposed amendments to include the Early Learning Council as a collaborator on the data collection efforts proposed by this measure and to keep the requests for data in line with the data currently being tracked by the Department of Education. In light of budgetary constraints on the Department, your Committee has adopted the proposed amendments but urges the Department to report junior kindergarten enrollment, promotion, and retention numbers on a school-by-school basis, which would be more valuable than aggregate data in identifying particular schools or issues for improvement.

Your Committee also learned that the Hawaii Educational Policy Center (HEPC) is currently conducting a study, on behalf of the Department of Education, that assesses the impact of participation in a junior kindergarten program on academic progress for students who are now in grade two or three. Data collected through HEPC's study may be reported as a part of the long-term assessment data or longitudinal data requested by this measure.

Accordingly, your Committee has amended this measure by:

- (1) Adding the Early Learning Center as a collaborator with the Department of Education in reporting the data requested by this measure;
- (2) Requesting aggregate data on junior kindergarten enrollment, promotion, and retention, including the data on a school-by-school basis to the extent possible;
- (3) Requesting information from HEPC's study to be included in the data reported to the Legislature under this measure;
- (4) Requesting the Department of Education and the Early Learning Council to submit to the Legislature annual reports of their interim findings and recommendations prior to the convening of the Regular Sessions of 2011 and 2012, and a final report prior to the convening of the Regular Session of 2013; and
- (5) 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 Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 107, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 107, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 2858 (Joint) Higher Education and Education and Housing on S.C.R. No. 103**

The purpose of this measure is to request a report on the feasibility of creating a Vocational/Technical Education Learning Center at Honolulu Community College.

Testimony in support of this measure was submitted by the University of Hawaii System, the Department of Education, and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Honolulu Community College (HCC) offers unique technical training opportunities in areas such as Aeronautics Maintenance Technology, Refrigeration and Air Conditioning Technology, and Sheet Metal and Plastics Technology. Your Committees find that establishing a Vocational/Technical Education Learning Center at HCC could expose Hawaii's students to unique learning opportunities that may be unavailable through regular high school courses, pique students' interest in higher education, and offer students career-oriented goals for their academic endeavors.

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 Higher Education and Education and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 103, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 103, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Galuteria, Kokubun, Takamine, Taniguchi).

**SCRep. 2859 Health on S.C.R. No. 156**

The purpose of this measure is to request the Director of Health to endorse xylitol for its preventive and therapeutic health and oral health benefits.

Your Committee received testimony in support of this measure from the American Dental Hygienists' Association. Testimony in opposition was received from the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Dental Workforce report released on December 11, 2008 at the annual meeting of the Hawaiian Islands Oral Health Task Force concludes that "Hawaii is struggling with issues related to access to oral health for all residents as well as for vulnerable populations, a shortage or maldistribution of dental practitioners, poor oral health among many subpopulations, and funding an optimal oral health care system. There are approximately five hundred studies on PubMed that support xylitol as an effective preventative and therapeutic agent in the prevention and treatment of diabetes and dental disease, among illnesses and conditions.

Incorporating xylitol into health care programs for children, the elderly, and other populations (such as the institutionalized) will substantially reduce dental caries, upper respiratory infections, and ear infections, and lower glycemic indices, thereby assisting in the maintenance of good health for the people of this State.

Your Committee has amended this measure by:

- (1) Clarifying that the Director of Health is requested to promote the use of xylitol, rather than endorse its use;
- (2) Adding that the Director is requested to incorporate xylitol into the Healthy Hawaii Initiative as appropriate;
- (3) Changing the title according to the foregoing amendments; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 156, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 156, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 2860 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 217**

The purpose of this measure is to request a feasibility study on the contracting of third party agents to inspect and certify Hawai'i-grown green coffee beans.

Testimony in support of the measure was submitted by three organizations and one individual. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that some rural coffee growers, for example in Kau, were experiencing difficulties related to the affordability and availability of commodity inspectors prior to the recent Department of Agriculture budget cuts. Some Kau farmers have had to ship coffee beans from Hilo to Kauai for certification, increasing the cost of the coffee approximately one dollar per pound. Providing local commodity inspectors will help Kau coffee growers compete in the global market. Your Committee recognizes the Department of Agriculture's concerns regarding not having adequate staff to perform the feasibility study, therefore, your Committee will establish a task force to provide the necessary input and work to complete the study.

Your Committee has amended this measure by establishing a task force to complete the feasibility study, consisting of:

- (1) Two members designated by the Senate President;
- (2) Two members designated by the Speaker of the House of Representatives; and
- (3) One member designated by the Chair of the Board of Agriculture.

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. 217, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 217, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Tokuda).

**SCRep. 2861 (Joint) Health and Human Services on H.B. No. 2157**

The purpose of this measure is to increase from two to three the number of nursing facility level residents that Type I Expanded Adult Residential Care Homes may accept.

Testimony in support of this measure was submitted by the Big Island Adult Residential Care Homes, the Big Island Adult Foster Homes, Lou's Quality Home Health Care Services, LLC, the Alliance of Residential Care Administrators, The Chamber of Commerce of Hawaii, and five individuals. Testimony in opposition to this measure was submitted by the Department of Health. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that our State is facing a long-term care crisis because there are not enough long-term care facilities to meet the State's healthcare needs. The shortage of long-term care facilities is negatively affecting acute care facilities because patients must often remain in acute care while waiting for an opening in a long-term care facility. This causes great and unnecessary expense to acute care hospitals, patients, and insurance providers and needlessly occupies beds needed for acute care patients.

Your Committees further find that by increasing the number of nursing facility level residents that a Type I adult residential care home may accept, this measure takes one step toward alleviating the long-term care crisis in this State.

Your Committees have amended this measure by changing the effective date to January 1, 2045 to encourage further discussion of this issue.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2157, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2157, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2862 Judiciary and Government Operations on H.B. No. 2397**

The purpose of this measure is to ensure compliance with the National Defense Authorization Act for Fiscal Year 2010, P.L. 111-84, (Act) by:

- (1) Moving Hawaii's primary election date to the second Saturday in August; and
- (2) Moving the deadline for filing nomination papers to the first Tuesday in June.

Testimony in support of the measure was submitted by the Office of Elections. Comments regarding the measure were submitted by the Campaign Spending Commission. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the intent of this measure is to comply with the Act, which requires states to transmit absentee ballots to uniformed and overseas voters no later than forty-five days prior to a federal election. This requirement is effective as of the 2010 general election. In Hawaii, most primary elections are exactly forty-five days prior to the general election. This forty-five-day period is insufficient to finalize election results address legal challenges, proof the contents of the general election ballot, print the ballots, and then mail them out in compliance with the Act. While the Act provides that a state may obtain a waiver for compliance on an election-by-election basis, your Committee understands that the federal government has not finalized the specifics of the waiver application process, and that, at this time, no application can be submitted or considered.

Your Committee notes that the measure provides that, not only will the primary election be moved to an earlier date, but the deadline for filing nomination papers will be the first Tuesday in June, which is nearing at a rapid pace. Moreover, the Office of Elections has submitted testimony that, at this time, it would not be prepared to hold the primary election on the earlier date. As such, your Committee acknowledges that, absent an approved waiver, Hawaii may not be able to strictly comply with the Act.

Additionally, your Committee notes that, if the date of the primary election is moved, then changes to the campaign spending reporting requirements will also need to be made to assure that there are no gaps in reporting periods.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2397, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2397, 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 (Gabbard).

**SCRep. 2863 Judiciary and Government Operations on H.B. No. 2784**

The purpose of this measure is to:

- (1) Increase the jurisdictional limits of the Small Claims Division of the District Court from \$3,500 to \$4,500; and
- (2) Allow a case to be transferred from the Small Claims Division to the regular claims division of the District Court by either party.

Testimony in support of the measure was submitted by one individual. Comments regarding the measure were submitted by the Judiciary and the Collection Law Section of the Hawaii State Bar Association. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that increasing the jurisdictional limit of the Small Claims Division will essentially adjust the current amount for inflation and will allow the court to hear cases that, for various reasons, are better suited to be heard in the Small Claims Division forum.

Your Committee has amended this measure by:

- (1) Increasing the jurisdictional limit to less than \$5,000, in order to avoid any conflict with article I, section 13 of the Hawaii State Constitution, which provides for the right to a jury trial in civil cases, while allowing greater access to the courts by the public;
- (2) Limiting to the plaintiff the right to choose to transfer a case from the Small Claims Division to the regular claims division of the District Court, in order to preserve the benefits of a quick resolution and minimal cost to both of the parties;
- (3) Inserting an effective date of September 14, 2047 to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2784, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2784, 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 (Gabbard).

**SCRep. 2864 Judiciary and Government Operations on H.B. No. 840**

The purpose of this measure is to amend section 803-83, Hawaii Revised Statutes, to add three additional felony offenses to the list of felonies that may be charged by information:

- (1) Unauthorized entry in a dwelling;
- (2) Unauthorized possession of confidential personal information; and
- (3) Methamphetamine trafficking in the second degree.

Testimony in support of the measure was submitted by one state agency and four county agencies. Testimony in opposition to the measure was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the purpose of this measure is to add three felonies to the list of felonies that may be charged through written information. These felonies became law after the 2004 enactment of information charging via Act 62, Session Laws of Hawaii 2004, and are consistent with felony offenses that may be charged by information.

Your Committee has amended this measure by:

- (1) Making the measure effective upon its approval; and
- (2) Making technical, nonsubstantive changes for purposes of style and of consistency and accuracy within the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 840, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 840, 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 (Bunda).

**SCRep. 2865 Judiciary and Government Operations on H.B. No. 1019**

The purpose of this measure is to:

- (1) Include within the offense of murder in the second degree conduct where a person, with the intent to do serious bodily injury to any person, performs acts that cause the death of that person;



- (2) Add within the offense of terroristic threatening in the first degree conduct where a person uses a simulated firearm; and
- (3) Add within the offense of robbery in the first degree conduct where the person is armed with a simulated firearm and, in the course of committing theft or non-consensual taking of a motor vehicle, either uses force against another with the intent to overcome that person's resistance or threatens the imminent use of force against another with the intent to compel acquiescence to the taking or escaping with the property.

Testimony in support of the measure was submitted by one state agency and three county agencies. Testimony in opposition to the measure was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the amendment to the conduct comprising murder in the second degree is intended to address cases that have occurred under the current law, where a defendant who brutally beat another person has been able to convince the jury to reduce murder charges to manslaughter by claiming that the defendant only intended to cause bodily injury to the person but did not know that the person would be killed. Your Committee received testimony from the Public Defender expressing concern that the revised definition may sweep in the conduct of a person who clearly did not intend to kill someone but whose actions set in motion a situation which ended in the victim's death, essentially creating a strict liability standard dependent upon the death of the victim rather than the intent of the defendant.

Your Committee also finds that the amendments to the terroristic threatening and robbery offenses are intended to address cases in which offenders brandish objects, which may not be real firearms, in the commission of these offenses. In these cases, the victims cannot tell that the simulated firearms are not real and respond to the threats and intimidation in the same manner as if the firearms are real. Your Committee heard testimony from the Public Defender explaining that the reason that terroristic threatening and robbery offenses that are committed with the use of an actual firearm are treated more seriously is that the introduction of a firearm into such situations increases the potential for someone to suffer death or serious bodily injury.

Your Committee has amended this measure by:

- (1) Inserting an effective date of September 14, 2047, to ensure further discussion regarding the proposed amendments and their scope; and
- (2) Making a technical, nonsubstantive change for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1019, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1019, 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 (Bunda).

#### **SCRep. 2866 Judiciary and Government Operations on H.B. No. 1862**

The purpose of this measure is to change the repeal date in Act 84, Session Laws of Hawaii 2004 (Act 84), for the prohibition on urinating or defecating in public within the boundaries of downtown Honolulu from December 31, 2012 to December 31, 2014.

Testimony in support of the measure was submitted by the Honolulu Police Department, the Downtown Neighborhood Board No. 13, and eighty-two individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is intended to address concerns by downtown Honolulu residents, workers, and visitors regarding health and sanitation hazards that result from urinating and defecating in public. Your Committee received testimony indicating that the effectiveness of the prohibition, including the number of citations issued for the violation, is uncertain as Honolulu Police Department representatives are not able to easily count the number of citations issued.

Your Committee has amended this measure by:

- (1) Inserting a provision into Act 84 requesting the Honolulu Police Department to prepare and submit to the Legislature a report regarding the effectiveness of the prohibition, including the number of citations issued and the effectiveness of the violation in deterring the conduct proscribed; and
- (2) Inserting an effective date of September 14, 2047, to ensure further discussion on these issues.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1862, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1862, 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 (Bunda).

#### **SCRep. 2867 Judiciary and Government Operations on H.B. No. 1863**

The purpose of this measure is to extend the sunset date for Act 192, Session Laws of Hawaii 2008, which establishes the criminal offense of habitual solicitation of prostitution.

Testimony in support of the measure was submitted by one private organization and eighty-seven individuals. Testimony in opposition was submitted by one private organization. Comments regarding the measure were submitted by the Downtown Neighborhood Board No. 13. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that prostitution continues to be a pervasive problem in downtown Honolulu. Prostitutes are encountered by area residents and their children on a daily basis. Your Committee received testimony that many residents are afraid to walk outside of their homes in the evening for fear of harassment and sexual solicitations from prostitutes working in the area. Your Committee notes that the offense of habitual solicitation of prostitution targets those who repeatedly solicit prostitutes. Your Committee is hopeful that retaining this offense will reduce the demand for prostitution by repeat offenders, thereby reducing the frequency of these transactions in the downtown Honolulu area.

Moreover, many testifiers expressed support of the provisions in a related measure, H.B. No. 1867, which establishes a misdemeanor offense for the solicitation of prostitution near schools or public parks. These testifiers expressed alarm that area children routinely witness solicitations by and from prostitutes, including occasions where prostitutes proposition fathers while they are walking their children to school. Your Committee believes that children should be protected from these types of activities and that creating a buffer zone around parks and schools where solicitation is prohibited will help to keep prostitution out of these areas.

Your Committee has amended this measure by:

- (1) Inserting language from H.B. No. 1867, which establishes a misdemeanor offense for the solicitation of prostitution near schools or public parks; and
- (2) Inserting an effective date of September 14, 2047, in order to encourage further discussion regarding these issues.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1863, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1863, 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 (Slom). Noes, none. Excused, 1 (Bunda).

**SCRep. 2868 Health on S.C.R. No. 210**

The purpose of this measure is to convene an advisory committee to make recommendations regarding the creation and maintenance of an all-payer claims database in Hawaii to publicly report health care and health quality data, including information on safety, quality, cost, and efficiency at all levels of health care.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, Kaiser Permanente, the Healthcare Association of Hawaii, and the Hawaii Association of Health Plans. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that a uniform claims reporting system will add transparency and accountability to what is often an incomprehensible system to laypeople. However, your Committee realizes that establishing a statewide claims reporting system is a complex task. Your Committee feels that a task force to study the multifarious issues relating to it is a prudent first step and will help to make the program pertinent, accessible, and cost efficient.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 210, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 210, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2869 Health on S.C.R. No. 212**

The purpose of this measure is to request the Chair of the Board of Pharmacy to establish a task force to study the feasibility of lowering the age of pharmacy-administered vaccination recipients to nine years old.

Your Committee received testimony in support of this measure from Walgreens and the National Association of Chain Drug Stores. Support of the intent of this measure with amendments was submitted by the Hawaii Pharmacists Association. The Board of Pharmacy submitted testimony commenting on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that during a public health crisis children can be important vectors and are particularly vulnerable; accordingly, it is crucial that resources are in place to ensure them fast and efficient access to vaccinations. Your Committee further finds that lowering the age of pharmacy-administered vaccinations bears further study because it is one possible method of preparing the State to appropriately address a public health crisis.

Your Committee has amended this measure by:

- (1) Charging the task force with selecting two chain stores and two independent pharmacies, each of which will have one pharmacist member on the task force; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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 that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 212, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2870 Health on S.R. No. 108**

The purpose of this measure is to request the Chair of the Board of Pharmacy to establish a task force to study the feasibility of lowering the age of pharmacy-administered vaccination recipients to nine years old.

Your Committee received testimony in support of this measure from Walgreens and the National Association of Chain Drug Stores. Support of the intent of this measure with amendments was submitted by the Hawaii Pharmacists Association. The Board of Pharmacy submitted testimony commenting on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that during a public health crisis children can be important vectors and are particularly vulnerable; accordingly, it is crucial that resources are in place to ensure them fast and efficient access to vaccinations. Your Committee further finds that lowering the age of pharmacy-administered vaccinations bears further study because it is one possible method of preparing the State to appropriately address a public health crisis.

Your Committee has amended this measure by:

- (1) Charging the task force with selecting two chain stores and two independent pharmacies, each of which will have one pharmacist member on the task force; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 108, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.R. No. 108, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2871 Health on S.C.R. No. 42**

The purpose of this measure is to support the practice of utilizing locally-based drug formulary advisory boards to determine drug formularies and drug prior authorization policies for all insurance plans doing business in Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the American Cancer Society, and two individuals. Testimony in support of the intent of this measure with amendments was received from the Hawaii Medical Service Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that outsourcing the determination of drug formularies and drug prior authorization policies to out-of-state pharmacy benefit managers has had negative effects on the quality of care and the practice of medicine in Hawaii. Complaints in this regard include poor service, delays in receiving medications, and poor communication with the provider. In addition, out-of-state pharmacy benefit managers may have no meaningful accountability to local physicians, pharmacists, and patients.

This measure expresses legislative support for the maintenance of locally-based pharmacy and therapeutics committees comprising Hawaii-licensed physicians and pharmacists who are actually engaged in practice in Hawaii. Requiring health insurers to use their own local formulary boards will improve the efficiency and quality of health care in Hawaii and reduce administrative burdens currently experienced by Hawaii physicians and patients.

Your Committee has amended this measure by:

- (1) Adding representatives of the Hawai'i Employer-Union Health Benefits Trust Fund to the pharmacy and therapeutics committees that will examine the drug formulary and drug prior authorization policies of all health insurance plans doing business in Hawaii; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 42, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 42, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2872 Health on S.R. No. 27**

The purpose of this measure is to support the practice of utilizing locally-based drug formulary advisory boards to determine drug formularies and drug prior authorization policies for all insurance plans doing business in Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, the American Cancer Society, and two individuals. Testimony in support of the intent of this measure with amendments was received from the Hawaii Medical Service Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that outsourcing the determination of drug formularies and drug prior authorization policies to out-of-state pharmacy benefit managers has had negative effects on the quality of care and the practice of medicine in Hawaii. Complaints in this

regard include poor service, delays in receiving medications, and poor communication with the provider. In addition, out-of-state pharmacy benefit managers may have no meaningful accountability to local physicians, pharmacists, and patients.

This measure expresses legislative support for the maintenance of locally-based pharmacy and therapeutics committees comprising Hawaii-licensed physicians and pharmacists who are actually engaged in practice in Hawaii. Requiring health insurers to use their own local formulary boards will improve the efficiency and quality of health care in Hawaii and reduce administrative burdens currently experienced by Hawaii physicians and patients.

Your Committee has amended this measure by:

- (1) Adding representatives of the Hawai'i Employer-Union Health Benefits Trust Fund to the pharmacy and therapeutics committees that will examine the drug formulary and drug prior authorization policies of all health insurance plans doing business in Hawaii; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 27, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.R. No. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2873 Health on S.C.R. No. 155**

The purpose of this measure is to request that the Attorney General review the current guardianship process as it pertains to adult hospital patients and work with the Healthcare Association of Hawaii to develop an expedited process for patients who are waitlisted, pending a move to a long term care facility.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii. Testimony in opposition to this measure was submitted by the Judiciary Office of the Public Guardian and the Department of the Attorney General. Testimony in support of the intent of this measure with amendments was submitted by the Hawaii Disability Rights Center. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that delays in appointing guardians for patients who are ready to move out of acute care hospitals results in a shortage of acute care beds and patients receiving higher and more expensive levels of care than necessary.

Your Committee further finds that the frequency of this problem is going to increase as the average age of our population rises. It is important to address this issue now rather than wait until sheer volume causes a crisis of care.

Your Committee has amended this measure by:

- (1) Requesting that the Attorney General work with the Healthcare Association of Hawaii to develop an expedited guardianship process for waitlisted hospital patients; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 155, as amended herein, and recommends that it be referred to the Committee on Judiciary and Government Operations, in the form attached hereto as S.C.R. No. 155, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2874 Health on S.C.R. No. 113**

The purpose of this measure is to request the Hawaii Senate President and the Speaker of the House of Representatives to establish the Committee on Transitioning the Hawaii Health Systems Corporation to study and plan the transformation of the Hawaii Health Systems Corporation to an organizational structure that responds more efficiently to the health care needs of the island communities it serves.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation. Testimony in support of the intent of this measure with amendments was submitted by the Hilo Medical Center. Testimony in opposition to this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Health Systems Corporation is crucial to the continued health and well-being of millions of Hawaii residents yet it is unsustainably reliant on government subsidies. Due to the current fiscal crisis the State does not have the fiscal capacity to continue funding the Hawaii Health Systems Corporation at its current level and must find an organizational structure that effectively and efficiently responds to the health care needs of Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that the Committee on Transitioning the Hawaii Health Systems Corporation is not limited to examining issues identified by the Stroudwater Study but should look beyond the Study to all viable options;
- (2) Including representatives of Hawaii Health Systems Corporation employees, the Hawaii Government Employees Association, United Public Workers, and the community on the Committee on Transitioning the Hawaii Health Systems Corporation;

- (3) Requesting that the Committee on Transitioning the Hawaii Health Systems Corporation advertise and hold public meetings for the purpose of gathering input from communities and regions served by Hawaii Health Systems Corporation; and
- (4) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 113, 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. 113, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 2875 Health on S.R. No. 43**

The purpose of this measure is to request the Hawaii Senate President and the Speaker of the House of Representatives to establish the Committee on Transitioning the Hawaii Health Systems Corporation to study and plan the transformation of the Hawaii Health Systems Corporation to an organizational structure that responds more efficiently to the health care needs of the island communities it serves.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation. Testimony in support of the intent of this measure with amendments was submitted by the Hilo Medical Center. Testimony in opposition to this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Health Systems Corporation is crucial to the continued health and well-being of millions of Hawaii residents yet it is unsustainably reliant on government subsidies. Due to the current fiscal crisis the State does not have the fiscal capacity to continue funding the Hawaii Health Systems Corporation at its current level and must find an organizational structure that effectively and efficiently responds to the health care needs of Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that the Committee on Transitioning the Hawaii Health Systems Corporation is not limited to examining issues identified by the Stroudwater Study but should look beyond the Study to all viable options;
- (2) Including representatives of Hawaii Health Systems Corporation employees, the Hawaii Government Employees Association, United Public Workers, and the community on the Committee on Transitioning the Hawaii Health Systems Corporation;
- (3) Requesting that the Committee on Transitioning the Hawaii Health Systems Corporation advertise and hold public meetings for the purpose of gathering input from communities and regions served by Hawaii Health Systems Corporation; and
- (4) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 43, 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. 43, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 2876 Health on S.C.R. No. 122**

The purpose of this measure is to convene a Hawaii Health Care Summit to develop a strategic and comprehensive plan for health care in Hawaii.

Your Committee received testimony in support of this measure from the 'Ohana Health Plan, the Healthcare Association of Hawaii, the Hawai'i Primary Care Association, Kaiser Permanente, the Hawaii Medical Service Association, the Hawaii Medical Association, the Hawaii Association of Health Plans, the Hawaii Long Term Care Association, and the Hawaii State Rural Health Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current healthcare system in Hawaii, while excellent, is financially unsustainable. To continue providing Hawaii residents with quality healthcare it is imperative that we have a strong and sustainable healthcare system. Your Committee further finds that an integral part of reform is establishing a strong but flexible long-term healthcare plan for Hawaii.

Your Committee hopes that this multi-disciplinary summit will explore the problems facing the Hawaii healthcare system and the many options available, with the goal of creating a strong, innovative, comprehensive, yet financially sustainable, healthcare system.

Your Committee has amended this measure by adding representatives from the Hawaii Association of Health Plans, Kaiser Permanente, the Chamber of Commerce of Hawaii, the Hawaii Medical Association, the Hawaii Nursing Association, the Hawaii Long Term Care Association, and the Hawaii State Rural Health Association to the membership of the summit.

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. 122, 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. 122, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2877 Health on S.C.R. No. 146**



The purpose of this measure is to request the convening of a health care reform task force to evaluate methods to improve the quality, safety, efficiency, and cost of Hawaii's health care system, to reduce medical errors and increase patient safety, to seek solutions to eliminate doctor shortages, and to address the role and impact of the legal system in compensating victims of medical error.

Your Committee received testimony in support of this measure from Kaiser Permanente, the Hawai'i Primary Care Association, the Hawaii Medical Association, the Hawaii Association for Justice, and the Health Policy Center at the William S. Richardson School of Law. Your Committee received testimony in opposition to this measure from the Department of Health. Testimony in support of the intent of this measure with amendments was received from the Healthcare Association of Hawaii, the Hawaii Medical Service Association, and the Hawaii State Rural Health Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii's healthcare system is consistently rated one of the best in the country but that to maintain that standard and to continue to reform and improve the system a collaborative effort from a variety of health care stakeholders is necessary. It is your Committee's hope that this task force will bring many of those stakeholders together and will present integrated and insightful recommendations to improve Hawaii's healthcare system.

Your Committee has amended this measure by:

- (1) Requesting the Healthcare Association of Hawaii to convene and provide administrative support for the task force;
- (2) Including representatives from the Hawaii Association of Physicians for Indemnification, the Hawaii State Rural Health Association, two different Hawaii health insurance plans, and healthcare disciplines besides physicians on the task force; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 146, 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. 146, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2878 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 12**

The purpose of this measure is to request the Auditor to conduct an impact assessment report of the social and financial impacts of mandating coverage for hearing aids. This measure, in tandem with S.B. No. 192, S.D. 1, is intended to satisfy the requirements of sections 23-51 and 23-52 of the Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, the Disability and Communication Access Board, and two individuals. Testimony in support of the intent of this measure with amendments was received by the Hawaii Medical Service Association. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that hearing aids bring significant benefits to most hearing impaired individuals. Yet the cost of hearing aids is often prohibitively expensive, making them unaffordable to many hearing impaired residents of Hawaii, who must as a result live with a significantly lower quality of life.

The Auditor's study requested by this measure will examine the concerns of hearing impaired residents and insurance companies and will provide useful information for purposes of future decision-making on this issue.

Your Committees have amended this measure by including language to ensure a comprehensive review of the issue. Accordingly, as amended, this measure specifies that the Auditor's study should include:

- (1) Identification of the target population to facilitate cost analysis;
- (2) A survey of the experience of states that mandate coverage for hearing aids and cochlear implants;
- (3) Review of standards, including device replacement standards and cost limitations, currently used by public and private entities that provide coverage for hearing aids; and
- (4) A comparison of the cost of cochlear implants with the cost of hearing aids.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 12, 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. 12, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 4. Noes, none. Excused, 4 (Hemmings, Ihara, Nishihara, Sakamoto).

**SCRep. 2879 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 57**

The purpose of this measure is to approve the fee simple sale of the Northwest Corner parcel in Kapolei, Oahu.

Testimony in support of the measure was submitted by one state agency. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the fee simple sale of this parcel to a developer will expedite completion of the Villages of Kapolei master plan by providing land for additional affordable housing. The subject parcel is vacant and 26.617 acres, located adjacent to the H-1 freeway. This is the last large, undeveloped portion of the Villages of Kapolei and it's currently zoned as Business Mixed Use.



The Hawaii Housing Finance and Development Corporation hopes to select a developer to design, plan, and develop this parcel to include multi-family housing and neighborhood commercial development that is compatible with the existing residential character of the area. If the sale is approved by the Legislature, the Corporation will use the Request for Proposals procurement method to select a purchaser.

Your Committee has amended this measure by:

- (1) Adding more information regarding the proposed development of the parcel;
- (2) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (3) Inserting a provision to urge the Hawaii Housing Finance and Development Corporation to offer the Office of Hawaiian Affairs a right of first refusal to purchase the parcel within thirty days;
- (4) Providing that a certified copy of the Concurrent Resolution has been transmitted to the Administrator of the Office of Hawaiian Affairs; and
- (5) Making technical, nonsubstantive changes for the purpose of 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. 57, 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. 57, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2880 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 58**

The purpose of this measure is to approve the fee simple sale of a 9.105 acre vacant parcel in Village 8 of the Villages of Kapolei in Kapolei, Oahu.

Testimony in support of the measure was submitted by one state agency. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the fee simple sale of this parcel to a developer will expedite completion of the Villages of Kapolei master plan by providing land for additional affordable housing. This vacant parcel is 9.105 acres and is zoned for residential and mixed use development. The Hawaii Housing Finance and Development Corporation hopes to select a developer to design, plan, and develop this parcel to include single-family residences that are compatible with the existing residential character of the area. If the sale is approved by the Legislature, the Corporation will use the Request for Proposals procurement method to select a purchaser.

Your Committee has amended this measure by:

- (1) Adding more information regarding the proposed development of the parcel;
- (2) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (3) Inserting a provision to urge the Hawaii Housing Finance and Development Corporation to offer the Office of Hawaiian Affairs a right of first refusal to purchase the parcel within thirty days;
- (4) Requiring that a certified copy of the Concurrent Resolution be transmitted to the Administrator of the Office of Hawaiian Affairs; and
- (5) Making technical, nonsubstantive changes for the purpose of 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. 58, 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. 58, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2881 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 59**

The purpose of this measure is to approve the fee simple sale of Kekuilani Village 4 of the Villages of Kapolei, in Kapolei, Oahu.

Testimony in support of the measure was submitted by one state agency and one organization. One state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the fee simple sale of this parcel to a developer will expedite the completion of the Villages of Kapolei master plan by providing land for additional affordable housing. The parcel is 2.490 acres with thirty-five single-family cluster lots and 0.362 acres of shared driveways. The Hawaii Housing Finance and Development Corporation used the Request for Proposals procurement process to select Castle & Cooke Homes Hawaii, Inc. as the developer of the parcel. The parties executed a development agreement on September 19, 2007, which has not yet been recorded. The Hawaii Housing Finance and Development Corporation assured your Committee that if the Office of Hawaiian Affairs determined this property is necessary to maintain the ceded lands corpus, the Corporation will provide the Office with a right of first refusal. Your Committee appreciates the intra-governmental cooperation in reconciling the interests of maintaining the ceded lands corpus and developing affordable housing for qualified residents.

Your Committee has amended this measure by:

- (1) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (2) Inserting a provision to urge the Hawaii Housing Finance and Development Corporation to offer the Office of Hawaiian Affairs a right of first refusal to purchase the parcel within thirty days;
- (3) Requiring that a certified copy of the Concurrent Resolution be transmitted to the Administrator of the Office of Hawaiian Affairs; and
- (4) Making technical, nonsubstantive changes for the purpose of 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. 59, 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. 59, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2882 (Joint) Economic Development and Technology and Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs and Higher Education on S.C.R. No. 147**

The purpose of this measure is to convene a working group to examine farm to school models to propose a pilot farm to school program for each island.

Testimony in support of this measure was received from the Department of Education, League of Women Voters, Hawaii Association of Independent Schools, Hawai'i Nutrition and Physical Activity Coalition, Hawaii Farm Bureau Federation, Kauai County Farm Bureau, Hawaii Cattlemen's Council, Kokua Hawai'i Foundation, Malama Kaua'i, Eat Local Hawaii, Slow Food Oahu, and five individuals.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that farm to school programs provide students with unique, real-world opportunities to learn about topics ranging from nutrition and health to agriculture, ecology, environmental sustainability and economics. In addition, they help support the local agriculture industry and provide students with improved meal options by giving school cafeterias access to fresh local produce. Your Committees further find that this effort has the strong support of public and private schools statewide, as well as Hawaii's agricultural industry.

Your Committees have amended this measure by:

- (1) Adding members to the working group, including the Senate Committee on Education and Housing, House Committee on Education, and representatives from the Department of Agriculture, Department of Education, University of Hawai'i College of Tropical Agriculture and Human Resources, Hawaii Association of Independent Schools, Hawai'i Nutrition and Physical Activity Coalition, Hawaii Farm Bureau Federation, Hawaii Farmers Union, Kokua Hawai'i Foundation, AINA In Schools Program, MA'O Organic Farms, The Kohala Center, Malama Kaua'i, Sustainable Living Institute on Maui, and Slow Food Oahu; and
- (2) Including in the pilot program considerations: federal and private sector funding sources; and the means to address barriers and challenges to implementation of a farm to school program, including government procurement requirements and training programs for farms.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 147, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 147, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 4 (Bunda, Takamine, Taniguchi, Tsutsui).

**SCRep. 2883 (Joint) Economic Development and Technology and Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs and Higher Education on S.R. No. 67**

The purpose of this measure is to convene a working group to examine farm to school models to propose a pilot farm to school program for each island.

Testimony in support of this measure was received from the Department of Education, League of Women Voters, Hawaii Association of Independent Schools, Hawai'i Nutrition and Physical Activity Coalition, Hawaii Farm Bureau Federation, Kokua Hawai'i Foundation, Eat Local Hawaii, and two individuals.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that farm to school programs provide students with unique, real-world opportunities to learn about topics ranging from nutrition and health to agriculture, ecology, environmental sustainability and economics. In addition, they help support the local agriculture industry and provide students with improved meal options by giving school cafeterias access to fresh local produce. Your Committees further find that this effort has the strong support of public and private schools statewide, as well as Hawaii's agricultural industry.

Your Committees have amended this measure by:

- (1) Adding members to the working group, including the Senate Committee on Education and Housing, House Committee on Education, and representatives from the Department of Agriculture, Department of Education, University of Hawai'i College of Tropical Agriculture and Human Resources, Hawaii Association of Independent Schools, Hawai'i Nutrition and Physical Activity Coalition, Hawaii Farm Bureau Federation, Hawaii Farmers Union, Kokua Hawai'i Foundation, AINA In Schools Program, MA'O Organic Farms, The Kohala Center, Malama Kaua'i, Sustainable Living Institute on Maui, and Slow Food Oahu; and
- (2) Including in the pilot program considerations: federal and private sector funding sources; and the means to address barriers and challenges to implementation of a farm to school program, including government procurement requirements and training programs for farms.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 67, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 67, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Noes, none. Excused, 4 (Bunda, Takamine, Taniguchi, Tsutsui).

**SCRep. 2884 Health on S.C.R. No. 178**

The purpose of this measure is to urge the Hawaii Health Systems Corporation to accept medical student rotations from A.T. Still University School of Osteopathic Medicine based out of the Waianae Coast Comprehensive Health Center, the University of Hawaii John A. Burns School of Medicine, and other Hawaii-based medical schools at its facilities and to work with the Hawaii Primary Care Association to develop a plan to accomplish this objective.

Your Committee received testimony in support of this measure from nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Health Systems Corporation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a critical health care provider shortage in Hawaii that is particularly acute in rural areas. Your Committee further finds that doctors often enter practice in the same locality in which they had their residencies and that encouraging teaching through medical student rotations at Hawaii Health Systems Corporation facilities may be one step toward easing the physician shortage.

Your Committee has amended this measure by requesting the Hawaii Health Systems Corporation to work with the Hawaii Primary Care Association to develop a plan to place students from the A.T. Still University School of Osteopathic Medicine based out of the Waianae Coast Comprehensive Health Center, the University of Hawaii John A. Burns School of Medicine, and other Hawaii-based medical schools in Hawaii Health Systems Corporation facilities for medical student rotations.

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. 178, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 178, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2885 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 208**

The purpose of this measure is to request the Governor to amend Executive Order No. 3665 that set aside lands for a golf course and to re-dedicate those lands for a regional park.

Testimony in support of the measure was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In 1995, Governor Cayetano signed Executive Order No. 3665 to develop a county golf course in North Kona. Despite diligent efforts, the County of Hawaii has been unable to secure a developer for the golf course. Since 1995, a golf course has been developed only one and a half miles from the site referred to in Executive Order No. 3665. Your Committee finds that there is broad community support for a regional park in the area, and that the lands originally set aside for a golf course by Executive Order No. 3665 should be re-designated for a regional park.

Your Committee has amended the measure by 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 concurs with the intent and purpose of S.C.R. No. 208, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 208, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Tokuda).

**SCRep. 2886 Water, Land, Agriculture, and Hawaiian Affairs on S.R. No. 106**

The purpose of this measure is to request the Governor to amend Executive Order No. 3665 that set aside lands for a golf course and to re-dedicate those lands for a regional park.

Testimony in support of the measure was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In 1995, Governor Cayetano signed Executive Order No. 3665 to develop a county golf course in North Kona. Despite diligent efforts, the County of Hawaii has been unable to secure a developer for the golf course. Since 1995, a golf course has been developed only one and a half miles from the site referred to in Executive Order No. 3665. Your Committee finds that there is broad community support for a regional park in the area, and that the lands originally set aside for a golf course by Executive Order No. 3665 should be re-designated for a regional park.

Your Committee has amended the measure by 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 concurs with the intent and purpose of S.R. No. 106, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 106, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Tokuda).

**SCRep. 2887 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 71**

The purpose of this measure is to authorize the sale of state lands at Hanapepe, Waimea on Kauai for residential purposes.

Testimony in support was submitted by one state agency and one individual. Testimony in opposition was submitted by one member of the House of Representatives and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

On June 24, 1993, the Department of Land and Natural Resources held a public auction for the subject parcel of land, and Mr. Robert E. Farlander was the successful bidder. He paid the bid amount of \$107,000 in installment payments at eight per cent interest until the debt was paid in full on June 30, 1998. However, the Department has yet to convey fee simple title to Mr. Farlander. Your Committee believes this measure is unnecessary and that the final issuance of a deed is a ministerial matter not subject to legislative approval under section 171-64.7, Hawaii Revised Statutes. However, despite your Committee's requests, the Attorney General has not issued an opinion on this matter. The Department of Land and Natural Resources introduced the measure, and requests that your Committee adopt the measure in an abundance of caution. Your Committee is concerned about setting a precedent when the only explanation offered is in an abundance of caution. However, because your Committee recognizes that Mr. Farlander has satisfied his obligations under the installment agreement, your Committee finds that adopting this measure may alleviate any concerns over the State now satisfying its obligations.

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. 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, 3 (Hemmings, Kokubun, Tokuda).

**SCRep. 2888 Education and Housing on S.C.R. No. 157**

The purpose of this measure is to urge the Department of Education to hire architects and engineers to work in teams to investigate the condition of school buildings and infrastructure and to develop a twenty-five year long-range maintenance management plan for each school complex.

Testimony in support of this measure was submitted by three private organizations and one individual. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

A backlog of major repair and maintenance work at public schools remains and repair and maintenance needs for schools will continue to arise. The Legislature finds that long-range planning by the Department of Education, in consultation with architects and engineers, is critical to anticipating the repair and maintenance needs of Hawaii's school facilities and preparing for the timely performance of work on those facilities.

Given the fiscal constraints on the Department of Education and in light of the Department's ongoing master planning efforts, your Committee has amended this measure by adding more flexibility to the long-range maintenance management plans requested by this measure. Specifically, your Committee has amended this measure by:

- (1) Removing the language requesting the development of a program for regular maintenance and major repairs and a twenty-five year long-range maintenance management plan and budget for each school complex;
- (2) Inserting language requesting the Department of Education to continue developing Long-range Master Plans and to develop a program for the performance of regular maintenance and major repairs at the schools;
- (3) Removing the language requesting that architectural and engineering teams serve as trusted advisors and program managers who work with the Department of Education in developing the plans and who are ineligible to complete for the projects that may create a conflict of interest due to their work on the management plans;
- (4) Adding concerns and ideas for the Department of Education to consider as they develop Master Plans with the assistance of appropriate design professionals;
- (5) Amending the title to reflect the amended purpose; and
- (6) 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 Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 157, as amended herein, and recommends that it be referred to the Committee on Judiciary and Government Operations, in the form attached hereto as S.C.R. No. 157, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 2889 (Joint) Education and Housing and Commerce and Consumer Protection on S.C.R. No. 171**

The purpose of this measure is to request a report on the feasibility of establishing a foreclosure trust fund to assist Hawaii's homeowners.

Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that thousands of Hawaii homeowners have experienced or are experiencing economic hardships and are seeking assistance from the State and other organizations to avoid losing their homes. Your Committees have learned that a National Foreclosure Mitigation Counseling Program has been established and that several Hawaii nonprofits currently provide foreclosure mitigation counseling services under this program.

Your Committees find that rather than a foreclosure trust fund, a state foreclosure mitigation counseling program could continue the provision of valuable counseling services to Hawaii's homeowners after the National Foreclosure Mitigation Counseling Program funds lapse. Accordingly, your Committees have amended this measure by:

- (1) Inserting information on the National Foreclosure Mitigation Counseling Program and its current implementation in the State;
- (2) Adding language that supports the establishment of a state foreclosure mitigation counseling program modeled after the federal program to continue foreclosure mitigation counseling services in the State;
- (3) Replacing the Hawaii Housing Finance and Development Corporation with the Legislative Reference Bureau as the agency to perform the study requested by this measure;
- (4) Amending the elements of the study to include an examination of issues such as:
  - (A) The feasibility of allowing homeowners to hold foreclosure in abeyance while undergoing foreclosure mitigation counseling; and
  - (B) The establishment of a state foreclosure mitigation counseling program and a foreclosure mitigation counseling special fund to finance counseling services under the program;
- (5) Amending the title to reflect its amended purpose; 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 Education and Housing and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 171, 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. 171, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Green, Hemmings, Ihara, Tsutsui).

**SCRep. 2890 (Joint) Higher Education and Health on S.C.R. No. 167**

The purpose of this measure is to request the Hawaii State Center for Nursing to evaluate the need for and resources required to establish a continuing education program for nurses.

Testimony in support of this measure was submitted by the Hawaii State Center for Nursing, the Board of Nursing, Hawaii Pacific Health, the Healthcare Association of Hawaii, and three individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that nursing is a rapidly evolving field in which continuing education could greatly assist nurses in remaining up to date on the latest advances in the practice and providing high quality care.

Your Committees have received proposed amendments from a number of testifiers and have amended this measure to incorporate some of the amendments as follows:

- (1) By requesting a representative of the state Board of Nursing to serve on the joint advisory committee;
- (2) By extending the deadline by which the Hawaii State Center for Nursing is requested to submit a final report to the Legislature to provide the committee with more time to conduct the study and make recommendations relating to the establishment of a Hawaii Nursing Continuing Education Program;
- (3) By adding a progress reporting and interim reporting requirement for the Hawaii State Center for Nursing to keep the Legislature abreast of progress on the study;
- (4) By extending the date by which the joint advisory committee is to dissolve to allow the committee sufficient time to complete its study; and
- (5) 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 Higher Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 167, as amended herein, and recommend that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 167, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Hemmings, Taniguchi).

**SCRep. 2891 (Joint/Majority) Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 131**

The purpose of this measure is to request the Legislative Reference Bureau to conduct a cost-benefit study, with the assistance of the Department of Transportation, to determine whether leasing income can be maximized from its airport and harbor space through the use of retail leasing agents.

Your Committees received comments regarding this measure from the Department of Transportation and the Legislative Reference Bureau. Written testimony presented to the Committees may be reviewed on the Legislature's website.

House Concurrent Resolution No. 76, S.D. 1, 2009, established a Task Force on Reinventing Government to examine the current operations and organization of state government and make recommendations on making state government more efficient. The Task Force organized a Department of Transportation/Transportation Subcommittee to examine issues germane to transportation in the State. The Subcommittee recommended that the Department of Transportation maximize leasing income from airport space and harbor space with the possible help of retail leasing agents. The Subcommittee found that "there may be further opportunities to improve rental revenues from retail spaces at airports and harbors."

Your Committees have amended this measure by clarifying that the scope of the study is not to include the broader issue of privatization of government operations, and by making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs 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. 131, 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. 131, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 1 (Slom). Excused, 5 (English, Gabbard, Hemmings, Kokubun, Tokuda).

**SCRep. 2892 (Joint/Majority) Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture, and Hawaiian Affairs on S.R. No. 59**

The purpose of this measure is to request the Legislative Reference Bureau to conduct a cost-benefit study, with the assistance of the Department of Transportation, to determine whether leasing income can be maximized from its airport and harbor space through the use of retail leasing agents.

Your Committees received comments regarding this measure from the Department of Transportation and the Legislative Reference Bureau. Written testimony presented to the Committees may be reviewed on the Legislature's website.

House Concurrent Resolution No. 76, S.D. 1, 2009, established a Task Force on Reinventing Government to examine the current operations and organization of state government and make recommendations on making state government more efficient. The Task Force organized a Department of Transportation/Transportation Subcommittee to examine issues germane to transportation in the State. The Subcommittee recommended that the Department of Transportation maximize leasing income from airport space and harbor space with the possible help of retail leasing agents. The Subcommittee found that "there may be further opportunities to improve rental revenues from retail spaces at airports and harbors."

Your Committees have amended this measure by clarifying that the scope of the study is not to include the broader issue of privatization of government operations, and by making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 59, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 59, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 1 (Slom). Excused, 5 (English, Gabbard, Hemmings, Kokubun, Tokuda).

**SCRep. 2893 Human Services on H.B. No. 1902**

The purpose of this measure is to extend the interim and final reporting dates for the Long Term Care Commission on the development of a 5-year plan and proposed systems reforms. This measure also extends the term of the Commission to the adjournment sine die of the Regular Session of 2012.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii, the Policy Advisory Board for Elder Affairs and the Long Term Care Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the work of the Long Term Care Commission is important to the community and the research it is currently engaged in will affect elders for generations to come. The research will be the basis for the 5-year program to improve the State's long-term care services, and allowing for an extension on the report of this research is essential to ensuring that the information is accurate. Your Committee also finds that extending the term of the Commission to be commensurate with the reporting deadline is appropriate and necessary.



As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1902, 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, 1 (Green).

**SCRep. 2894 Ways and Means on H.B. No. 2600**

The purpose of this measure is to conform the filing and payment deadlines for a variety of state taxes with the filing and payment deadline for the general excise tax.

Specifically, the measure changes the due date from the last day of the month to the twentieth day of the month.

The measure also changes the periodic filing and payment of the insurance premium tax from a quarterly to a monthly basis.

Your Committee received testimony in opposition to this measure from the Property Casualty Insurers Association of America. The Tax Foundation of Hawaii submitted comments on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will standardize the due dates for filing and payment of taxes, and also provide a one-time revenue gain for the State in fiscal year 2011.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2600, 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, 4 (English, Fukunaga, Hee, Hemmings).

**SCRep. 2895 Ways and Means on H.B. No. 2596**

The purpose of this measure is to clarify the priority of income tax credit claims by requiring individuals who have no income tax liability to claim refundable tax credits prior to claiming non-refundable tax credits.

Testimony in support of this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments. Written testimony may be reviewed on the Legislature's website.

Your Committee finds that there is no statutory framework for claiming income tax credits with respect to refundable and non-refundable tax credits. Establishing a priority by which tax credits must be claimed will save the State an estimated \$17,000,000 for at least two years. Your Committee believes that this measure will create certainty for budgeting the State's tax credit liabilities and provide a savings for 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. 2596, 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, 4 (English, Fukunaga, Hee, Hemmings).

**SCRep. 2896 Education and Housing on S.C.R. No. 140**

The purpose of this measure is to request the Department of Education to respond to the recommendations in KPMG LLP's (KPMG) report entitled "Complex Area Administrative and Support Services Review" regarding improvements to the Department's operations and workflow.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

KPMG's report, together with the Moanalua Complex Redesign Committee's report in response to Senate Concurrent Resolution No. 115 (2008), has provided a number of reasonable recommendations to improve the Department of Education's ability to operate more efficiently. The Department's fiscal challenges, greater scrutiny by the public and state officials, and change in leadership have all contributed to a growing urgency and willingness to reform the Department's operations and the public education system in Hawaii.

Your Committee finds that this measure promotes greater accountability by the Department of Education by prompting the Department to prioritize and take action on KPMG's recommendations.

To further encourage the Department to implement KPMG's recommended changes, your Committee has amended this measure by requesting the Department of Education to submit, in addition to the existing reporting request under this measure, annual reports to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2012 and 2013 providing status updates on the implementation of the priority recommendations from KPMG's report. Your Committee has also made technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Housing 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, 2 (Hemmings, Tsutsui).

**SCRep. 2897 Education and Housing on S.C.R. No. 195**

The purpose of this measure is to urge the Department of Education to establish appropriate requirements for individuals in the Department who provide instruction to children with disabilities, including both those who hear and those who are deaf or hard of hearing, to incorporate the use of sign language and other means of communication during instruction to enhance their students' learning.

Testimony in support of this measure was submitted by one private organization and four individuals. Testimony in support of the intent of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that children with disabilities should be provided the best possible opportunities to learn, which include simultaneous communication (the use of sign language and oral communication) and total communication (sign language, oral communication, and visual cues) approaches during instruction.

Your Committee received proposed amendments to clarify some of the terms used and the intent of this measure. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the intent of this measure is to enable educators and others to incorporate simultaneous and total communication methods during the instruction of children with disabilities;
- (2) Removing references to sign language interpreters, as sign language interpreters provide services only to deaf and hard of hearing individuals, rather than to all children with disabilities;
- (3) Amending the title to reflect its amended purpose; 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 Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 195, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 195, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hemmings, Tsutsui).

**SCRep. 2898 Education and Housing on S.C.R. No. 221**

The purpose of this measure is to request the Department of Education to establish a task force to make recommendations for an educational program for high school athletic coaches and trainers to avoid and minimize injuries to high school athletes.

Testimony in support of this measure was submitted by one state agency and one private organization. Testimony in support of the intent of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Sports-related injuries incurred by young athletes can linger or negatively affect the physical health of the athletes even into adulthood. Your Committee finds that this measure aims to reduce the incidence and seriousness of sports injuries among Hawaii's young athletes through improved training of coaches, trainers, and others involved with Hawaii high school athletics.

Your Committee has amended this measure by:

- (1) Reducing the number of representatives who are requested to participate in the task force to reduce the costs for the task force; 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 and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 221, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 221, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hemmings, Tsutsui).

**SCRep. 2899 Economic Development and Technology on Gov. Msg. Nos. 280, 281, and 279**

Recommending that the Senate advise and consent to the nominations of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

- G.M. No. 280 MICHAEL J. MURAKOSHI, for a term to expire 6-30-2010;  
G.M. No. 281 MICHAEL J. MURAKOSHI, for a term to expire 6-30-2014; and  
G.M. No. 279 JENNIFER L. ZELKO, for a term to expire 6-30-2014

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 Community-Based Economic Development Advisory Council.

Testimony in support of Michael J. Murakoshi was submitted by the Department of Business, Economic Development, and Tourism; the Mayor of the County of Kaua'i; Big Save, Inc.; and Pahio Development, Inc.

Michael J. Murakoshi is Senior Vice-President and Regional Manager, Kauai Region Office for First Hawaiian Bank, where he is responsible for seven Kauai branches. He is a graduate of Whittier College with a degree in Business and Political Science, and the Pacific Coast Banking School. Mr. Murakoshi is active in a wide range of community and civic organizations, including Big Brothers Big Sisters, Friends of Kauai Aloha Endowment, Hawaii Food Industry Association, Hawaii Hotel Association, and Contractors Association of Kauai, among many others. He is a reappointment to the Community-Based Economic Development Advisory Council, after serving as an interim appointee.

Testimony in support of Jennifer L. Zelko was submitted by the Department of Business, Economic Development, and Tourism.

Jennifer L. Zelko is an Associate Attorney with the law firm of Torkildson, Katz, Moore, Hetherington & Harris, ALC, and has practiced law in Hilo, Hawaii, since 2004. She is a member of the Hawaii State Bar Association and the Hawaii County Bar Association. Ms. Zelko holds a B.A. degree from the University of Hawaii at Hilo, and J.D. from Gonzaga University School of Law. She is active in community organizations including the YWCA Hawaii Island, Hawaii Island Chamber of Commerce, and University of Hawaii Alumni Association. Ms. Zelko is a new appointee to the Community-Based Economic Development Advisory Council.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology 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. 2900 Economic Development and Technology on Gov. Msg. Nos. 315, 284, 317, and 283**

Recommending that the Senate advise and consent to the nomination of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

- G.M. No. 315 STEPHEN H. REELITZ, for a term to expire 6-30-2010;
- G.M. No. 284 STEPHEN H. REELITZ, for a term to expire 6-30-2014;
- G.M. No. 317 GEORGE S. THRONAS, JR., for a term to expire 6-30-2010; and
- G.M. No. 283 GEORGE S. THRONAS, JR., for a term to expire 6-30-2014

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 King Kamehameha Celebration Commission.

Testimony in support of Stephen H. Reelitz was submitted by the Department of Accounting and General Services and two individuals.

Stephen H. Reelitz is Director of Neighbor Island Regional Resource Centers for Kamehameha Schools where he has served in numerous administrative capacities since 1997, in addition to twenty years in marketing and sales. He is a graduate of Kamehameha Schools and holds a Bachelor of Arts from Hawai'i Pacific University. Mr. Reelitz is an active member of the Kamehameha Schools Alumni Association, the Ko'olau Poko Hawaiian Civic Club, and sports organizations in Kane'ohe, Oahu. He serves as the Kamehameha Schools Alumni Association representative on the King Kamehameha Celebration Commission, and is a reappointment to the Commission after serving as an interim appointee.

Testimony in support of George S. Thronas, Jr., was submitted by the Department of Accounting and General Services and the Mayor of the County of Kaua'i.

George S. Thronas, Jr., is Front Office Manager of Outrigger at Lae Nani Condominiums on Kaua'i, and has over a decade of experience in various facets of the visitor and hospitality industry in Hawai'i and Florida. He holds an Associate Degree from Kaua'i Community College and attended the University of Hawai'i at Hilo. Mr. Thronas has been actively involved in King Kamehameha Celebration activities on Kaua'i as an award-winning participant, judge, and dedicated committee member. He serves as the island of Kaua'i representative on the King Kamehameha Celebration Commission, and is a reappointment to the Commission after serving as an interim appointee.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology 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. 2901 Economic Development and Technology on Gov. Msg. Nos. 282 and 197**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I HISTORIC PLACES REVIEW BOARD

- G.M. No. 282 NAOMI CLARKE LOSCH, for a term to expire 6-30-2014; and

G.M. No. 197 JULIE M.E. TAOMIA, for a term to expire 6-30-2014

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 Hawai'i Historic Places Review Board.

Testimony in support of Naomi Clarke Losch was submitted by the Department of Land and Natural Resources.

Naomi Clarke Losch is an Associate Professor of Hawaiian at the University of Hawai'i at Manoa, where she has held numerous academic positions since 1994 and is a member of the Department of Hawaiian and Indo-Pacific Languages and Literatures, serving as that Department's Chair from 2003-2007. Prior to joining the University of Hawai'i faculty, Ms. Losch was employed by the Bishop Museum and Leeward Community College. She is a graduate of the Kamehameha School for Girls and holds a Bachelor of Arts in Anthropology and a Master of Arts in Pacific Island Studies from the University of Hawai'i at Manoa. Ms. Losch serves as the representative knowledgeable in traditional Hawaiian society and culture on the Hawai'i Historic Places Review Board and is a reappointment to the Board, where her historical and cultural knowledge and experience bring valuable contributions to the work of the Board.

Testimony in support of Julie M.E. Taomia was submitted by the Department of Land and Natural Resources and the Society of Hawaiian Archaeology.

Julie M.E. Taomia is a Senior Cultural Resource Specialist at the Pacific Cooperative Studies Unit, Research Corporation of the University of Hawai'i, at the United States Army Pohakuloa Training Area on the island of Hawaii, a position she has held since 2006. She has also worked as an archaeologist or anthropologist in American Samoa, Hawaii, and California, and conducted research in the Cook Islands. Dr. Taomia has a Bachelor of Arts from the University of Michigan, and Master's and Doctorate degrees from the University of California at Berkeley Department of Anthropology. She is an active member of the Society for Hawaiian Archaeology. Dr. Taomia serves as the archaeology representative on the Hawai'i Historic Places Review Board and is a reappointment to the Board, where her breadth of experience in preservation and Pacific islands archaeology has made her a valuable member of the Board.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology 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. 2902 Economic Development and Technology on Gov. Msg. Nos. 286 and 287**

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 286 MARY BEGIER, for a term to expire 6-30-2014; and

G.M. No. 287 PETER LARRY ROSEGG, for a term to expire 6-30-2014

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 State Foundation on Culture and the Arts Commission.

Testimony in support of Mary Begier was submitted by the Department of Accounting and General Services and the Hawai'i Association of REALTORS.

Mary Begier is Principal Broker and owner of Mary Begier Realty, with offices on the islands of Hawaii and Oahu, a business she has owned since 1998. She has thirty years of real estate experience and has participated in professional development courses and training programs throughout her real estate career. Ms. Begier is an active member of national and regional professional realtor organizations and the recipient of numerous awards and honors. In addition, she has an extensive commitment to community service through her volunteer work with civic, business, and culture and arts organizations. Ms. Begier is a reappointment to the State Foundation on Culture and the Arts Commission, where she has been involved in grants activities.

Testimony in support of Peter Larry Rosegg was submitted by the Department of Accounting and General Services and the Hawai'i Arts Alliance.

Peter Larry Rosegg is Senior Corporate Relations Specialist with Hawaiian Electric Company, a position he has held since 2003. He has over thirty years experience in public relations, as a communications specialist in both the private sector and government, as a journalist, and college instructor. Mr. Rosegg has a B.A. from Columbia University, New York City, and both an M.B.A. and an M.A. in Asian Studies from the University of Hawai'i at Manoa. He is active in a wide range of cultural, community, civic, and professional organizations. Mr. Rosegg is a reappointment to the State Foundation on Culture and the Arts Commission, where he has been active in communications and public awareness for the Commission.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology 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. 2903 Economic Development and Technology on Gov. Msg. No. 285**

Recommending that the Senate advise and consent to the nomination of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 285 BRUCE E. BUCKY, for a term to expire 6-30-2014

Your Committee reviewed the personal history and resume submitted by the nominee, and finds Bruce E. Bucky to have the necessary qualifications to be appointed to the Small Business Regulatory Review Board.

Testimony in support of Bruce E. Bucky was submitted by the Department of Business, Economic Development, and Tourism and the Chairperson of the Small Business Regulatory Review Board.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Bruce E. Bucky is President of Hildgund Jewelry of Hawaii, a position he has held since 1992, and his many years of experience as a small business owner and executive in Hawaii have been an asset to the Small Business Regulatory Review Board. He is a certified diamond cutter, an award-winning jewelry designer, and currently serves as President of the Hawaii Jewelry Association and as a member of the Board of Directors of the Centurion Jewelry Show. Mr. Bucky represents the island of Oahu on the Small Business Regulatory Review Board and is a reappointment to the Board.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology 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. 2904 Human Services on Gov. Msg. No. 347**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION OF FATHERHOOD

G.M. No. 347 CHESTER JAMES ADESSA, JR., for a term to expire 6-30-2011

Your Committee received testimony in support of Chester James Adessa, Jr. from the State Commission on Fatherhood, the Hawai'i Coalition for Dads and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Chester James Adessa, Jr. received his Bachelor of Science degree in Psychology from Chaminade University of Honolulu in 1987. Mr. Adessa was employed as a Social Services Representative for the United States Army until 1989 when he was hired as a Family Advocacy Prevention and Education Specialist for the United States Navy, the position he currently holds. Mr. Adessa is a certified Family Wellness instructor, a certified Nurturing Parent Program Facilitator, and a certified Active Parenting Instructor. Mr. Adessa has numerous affiliations with groups in the community such as Prevent Child Abuse Hawaii, the National Council on Family Relations and the National Association for the Education of Young Children.

Testimony in support of Mr. Adessa indicates he is an energetic advocate for the importance of fathers as a co-parent and is a great role model for fathers, and that he himself is a nurturing and involved father. Testimony also indicates that Mr. Adessa has demonstrated a commitment to enhancing and developing awareness of the importance of fathers both in their families and in their communities, and he serves as an exemplary role model in the workplace and community.

Your Committee finds that, based on the testimony submitted on his behalf and his experience and personal knowledge in the parenting field, Chester James Adessa, Jr. has the knowledge, experience and other competencies to be a member of the State Commission on Fatherhood.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, 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 (Green).

**SCRep. 2905 (Joint) Human Services and Education and Housing on S.C.R. No. 206**

The purpose of this measure is to request the establishment of a Waianae Coast Homelessness Task Force to address the short and long-term needs of the homeless population on the Waianae Coast.

Testimony in support of this measure was submitted by the University of Hawai'i System, Waianae Community Outreach, the Leeward Housing Coalition and one individual. Comments were submitted by the Hawaii Housing Finance and Development Corporation. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that despite ongoing efforts to curb the problem of homelessness on the Waianae Coast, the problem remains pervasive. A number of steps have been taken to address the issues that inevitably accompany homelessness, and your Committees find that those efforts should continue to decrease the numbers of homeless persons, ensure services are available to assist the homeless, and break the cycle of homelessness. Your Committees further find that the concerns lodged by the Hawaii Housing Finance and Development Corporation are appropriate.



Accordingly, your Committees have amended this measure to remove the Hawaii Housing Finance and Development Corporation from the Task Force. Your Committees have also made technical, nonsubstantive stylistic changes for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Education and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 206, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 206, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Green, Tsutsui).

**SCRep. 2906 Commerce and Consumer Protection on S.C.R. No. 118**

The purpose of this measure is to request the Legislative Reference Bureau to submit a study on how other states' contractor licensing laws define and address "incidental and supplemental" work with the aim of determining to what extent specialty contracting work should be performed by a contractor not licensed to perform that work.

Testimony in support of this measure was received from the Iron Workers Stabilization Fund and the Subcontractors Association of Hawaii. The Contractors License Board submitted testimony commenting on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there has been a great deal of confusion over the meaning of the phrase "incidental and supplemental" as used in chapter 444, Hawaii Revised Statutes, and as interpreted in the *Okada Trucking Co., Ltd. V. Board of Water Supply, City and County of Honolulu and Inter Island Environmental Services, Inc.*, 97 Hawai'i 450 (2002). This confusion has cost significant time and money and your Committee hopes that a report from the Legislative Reference Bureau focusing on how "supplemental and incidental" is treated both in Hawaii Revised Statutes and by other states will help them to find a clearer method of legislating situations where general and special contractors undertake work "incidental and supplemental" to their job but outside the scope of their contractors license.

Your Committee has amended this measure by:

- (1) Requesting the Legislative Reference Bureau to conduct a report, rather than a study, and making changes to the title and throughout the measure to reflect this;
- (2) Replacing "bid proposals" with "bids"; and
- (3) Removing a reference to the Contractors License Board's application of the phrase "incidental and supplemental" in a manner contradicting the holding and dicta in *Okada Trucking Co., Ltd. V. Board of Water Supply, City and County of Honolulu and Inter Island Environmental Services, Inc.*, 97 Hawai'i 450 (2002).

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 118, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 2907 Commerce and Consumer Protection on S.R. No. 49**

The purpose of this measure is to request the Legislative Reference Bureau to submit a study on how other states' contractor licensing laws define and address "incidental and supplemental" work with the aim of determining to what extent specialty contracting work should be performed by a contractor not licensed to perform that work.

Testimony in support of this measure was received from the Iron Workers Stabilization Fund and the Subcontractors Association of Hawaii. The Contractors License Board submitted testimony commenting on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there has been a great deal of confusion over the meaning of the phrase "incidental and supplemental" as used in chapter 444, Hawaii Revised Statutes, and as interpreted in the *Okada Trucking Co., Ltd. V. Board of Water Supply, City and County of Honolulu and Inter Island Environmental Services, Inc.*, 97 Hawai'i 450 (2002). This confusion has cost significant time and money and your Committee hopes that a report from the Legislative Reference Bureau focusing on how "supplemental and incidental" is treated both in Hawaii Revised Statutes and by other states will help them to find a clearer method of legislating situations where general and special contractors undertake work "incidental and supplemental" to their job but outside the scope of their contractors license.

Your Committee has amended this measure by:

- (1) Requesting the Legislative Reference Bureau to conduct a report, rather than a study, and making changes to the title and throughout the measure to reflect this;
- (2) Replacing "bid proposals" with "bids"; and
- (3) Removing a reference to the Contractors License Board's application of the phrase "incidental and supplemental" in a manner contradicting the holding and dicta in *Okada Trucking Co., Ltd. V. Board of Water Supply, City and County of Honolulu and Inter Island Environmental Services, Inc.*, 97 Hawai'i 450 (2002).

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 49, S.D. 1.



Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 2908 Commerce and Consumer Protection on S.C.R. No. 188**

The purpose of this measure is to request the Auditor to conduct a sunrise review to regulate athletic trainers.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii Athletic Trainers Association, Occupational Therapy Association of Hawaii, and Hawaii Chapter American Physical Therapy Association. Comments were received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

S.B. No. 2601, S.D. 1, Regular Session of 2010, establishes a regulatory registration scheme for athletic trainers for the Auditor to review.

There are currently one hundred sixty-five certified athletic trainers in the State of Hawaii. The University of Hawaii-Manoa has an accredited athletic training curriculum. Because the public has difficulty discerning the difference between athletic trainers, personal trainers, and boxing trainers, there is a risk that unqualified non-credentialed persons will represent themselves as "trainers" and mislead members of the public into believing that they are receiving care from health care professionals. Hawaii is one of the few states without a registration requirement for athletic trainers. Furthermore, there is no one to whom the National Athletic Trainers Association Board of Certification can report disciplinary actions to ensure that appropriate action is taken to protect the public.

Your Committee has amended this measure and its title on the recommendation of the Department of Commerce and Consumer Affairs by requesting a sunrise analysis of the requirement for occupational registration of certified athletic trainers, rather than a licensure scheme. This takes into account the existing national professional certification system and makes this measure consistent with S.B. No. 2601, S.D. 1, which calls for the regulation of athletic trainers by means of registration.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 188, 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. 188, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 2909 Health on S.C.R. No. 230**

The purpose of this measure is to request the Office of the Auditor to conduct a management and financial audit of the Adult Mental Health Division of the Department of Health.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, AFSCME Local 125, AFL-CIO, the Hawaii Disability Rights Center, Mental Health America of Hawaii, and four individuals. Testimony providing comments on this measure was submitted by the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that as the fiscal crisis continues more and more drastic cuts have been made to Adult Mental Health Division funding. Your Committee further finds that an audit at this time will provide the Department of Health and the Legislature with a comprehensive picture of the Adult Mental Health Division's fiscal situation and the effects the funding cuts have had to date on its fiscal health.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 230, 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. 230, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Hemmings, Ige).

**SCRep. 2910 (Joint) Energy and Environment and Health on S.C.R. No. 183**

The purpose of this measure is to convene a Legislative Noise Pollution Task Force to review best practices from other states in reducing urban noise pollution.

Testimony in support of the measure was submitted by two individuals. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that noise pollution in urban Honolulu affects citizen's health and well-being, and has not been adequately addressed by the Legislature. Noise pollution is a health hazard, according to the World Health Organization, and can cause hearing impairment, interfere with communication, disturb sleep, cause cardiovascular and psycho-physiological problems, reduce performance, and provoke annoyance responses and changes in social behavior. Your Committees hope that by convening this task force, the complexities of the situation can be adequately addressed for the urban core areas in a comprehensive way.

Your Committees have amended this measure by:

- (1) Clarifying that the Task Force shall consist of one member from each agency invited to participate in the Task Force;

- (2) Adopting the recommendation of the Department of Health to correct the name of the Department of Health branch invited to participate in the Task Force from the Noise and Sanitation Branch to the Indoor and Radiological Health Branch;
- (3) Designating the urban Oahu neighborhood boards invited to participate in the Task Force;
- (4) Requesting that the Legislative Reference Bureau prepare and submit the Task Force's findings and recommendations; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

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 concur with the intent and purpose of S.C.R. No. 183, 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. 183, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (English, Hemmings, Ihara, Nishihara).

**SCRep. 2011 (Joint) Energy and Environment and Health on S.R. No. 84**

The purpose of this measure is to convene a Legislative Noise Pollution Task Force to review best practices from other states in reducing urban noise pollution.

Testimony in support of the measure was submitted by two individuals. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that noise pollution in urban Honolulu affects citizen's health and well-being, and has not been adequately addressed by the Legislature. Noise pollution is a health hazard, according to the World Health Organization, and can cause hearing impairment, interfere with communication, disturb sleep, cause cardiovascular and psycho-physiological problems, reduce performance, and provoke annoyance responses and changes in social behavior. Your Committees hope that by convening this task force, the complexities of the situation can be adequately addressed for the urban core areas in a comprehensive way.

Your Committees have amended this measure by:

- (1) Clarifying that the Task Force shall consist of one member from each agency invited to participate in the Task Force;
- (2) Adopting the recommendation of the Department of Health to correct the name of the Department of Health branch invited to participate in the Task Force from the Noise and Sanitation Branch to the Indoor and Radiological Health Branch;
- (3) Designating the urban Oahu neighborhood boards invited to participate in the Task Force;
- (4) Requesting that the Legislative Reference Bureau prepare and submit the Task Force's findings and recommendations; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

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 concur with the intent and purpose of S.R. No. 84, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 84, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (English, Hemmings, Ihara, Nishihara).

**SCRep. 2012 (Joint) Energy and Environment and Economic Development and Technology on S.C.R. No. 173**

The purpose of this measure is to urge the State of Hawaii to identify and appropriate permanent funding for the Hawaii State Energy Office.

Testimony in support of the measure was submitted by one organization. One state agency supports the intent. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Presently, the State Energy Office is funded by the federal Petroleum Violation Fund and the American Recovery and Reinvestment Act. The existing funding is projected to allow the Office to function through December 31, 2010. The American Recovery and Reinvestment Act funds eighteen positions, however these positions will expire after April 2012. Without State funding, the Office will cease to exist and the State will lose access to federal funds under the State Energy Program. Every dollar of State funding has the potential to bring in four dollars of federal funding to continue to transform Hawaii's energy system into an efficient, diversified, and renewable-sourced system.

Your Committees find that the State Energy Office is significant to the State's future economy and vitality. The State Energy Office is key to providing the necessary support for the Hawaii Clean Energy Initiative and other major programs promoting energy efficiency and renewable energy development, including the coordination of federal stimulus funds needed to accelerate these goals. Your Committees hope that this measure will elevate the discussion to determine whether general funding or some other permanent source of funding should be used to permanently maintain this critical office.

Your Committees have amended this measure by:

- (1) Clarifying the purpose of the measure by removing the provision requesting the State to identify a source of funding;
- (2) Amending the title to reflect the amended purpose; and
- (3) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 173, 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. 173, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Hee, Hemmings, Ihara, Slom).

**SCRep. 2913 (Joint) Energy and Environment and Economic Development and Technology on S.R. No. 76**

The purpose of this measure is to urge the State of Hawaii to identify and appropriate permanent funding for the Hawaii State Energy Office.

Testimony in support of the measure was submitted by one organization. One state agency supports the intent. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Presently, the State Energy Office is funded by the federal Petroleum Violation Fund and the American Recovery and Reinvestment Act. The existing funding is projected to allow the Office to function through December 31, 2010. The American Recovery and Reinvestment Act funds eighteen positions, however these positions will expire after April 2012. Without State funding, the Office will cease to exist and the State will lose access to federal funds under the State Energy Program. Every dollar of State funding has the potential to bring in four dollars of federal funding to continue to transform Hawaii's energy system into an efficient, diversified, and renewable-sourced system.

Your Committees find that the State Energy Office is significant to the State's future economy and vitality. The State Energy Office is key to providing the necessary support for the Hawaii Clean Energy Initiative and other major programs promoting energy efficiency and renewable energy development, including the coordination of federal stimulus funds needed to accelerate these goals. Your Committees hope that this measure will elevate the discussion to determine whether general funding or some other permanent source of funding should be used to permanently maintain this critical office.

Your Committees have amended this measure by:

- (1) Clarifying the purpose of the measure by removing the provision requesting the State to identify a source of funding;
- (2) Amending the title to reflect the amended purpose; and
- (3) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 76, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 76, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Hee, Hemmings, Ihara, Slom).

**SCRep. 2914 Economic Development and Technology on S.C.R. No. 180**

The purpose of this measure is to request the Auditor to initiate the first audit of the Wireless Enhanced 911 Fund, including a survey of the status of and available funding for any projects that have been undertaken or planned by public safety answering points during the audit period, and report to the 2011 Legislature on the status of the audit.

The Department of Accounting and General Services submitted testimony in opposition to this measure.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that due to the unprecedented revenue shortfalls of over \$2,000,000,000 during this fiscal biennium, \$16,000,000 in funds were deemed to be excess balances over Wireless Enhanced 911 project needs and transferred from the Wireless Enhanced 911 Fund in 2009, by Act 69, Session Laws of Hawaii 2009, and your Committee anticipates that at least \$5,000,000 in additional funds may be transferred from the Fund in 2010. Your Committee is concerned that this would seriously jeopardize the State's ability to improve and enhance its capabilities to respond to life-threatening circumstances.

Your Committee has amended this measure by replacing the provisions relating to an audit with a request that the Wireless Enhanced 911 Board report to the Legislature on the Wireless Enhanced 911 Fund. Specifically this measure is amended by:

- (1) Amending the title to read: "REQUESTING A REPORT OF THE WIRELESS ENHANCED 911 FUND";
- (2) Replacing Whereas language relating to an audit with language describing funds transferred from the Fund to address revenue shortfalls; and the importance of leveraging federal, state, county and Wireless Enhanced 911 funds to improve and enhance the State's capabilities to respond to life-threatening circumstances;
- (3) Specifying that the report include Fund income and disbursements, including any transfers of unexpended balances for the previous and current fiscal years;
- (4) Changing the reporting date from twenty days prior to the 2011 Legislative Session to September 1, 2010; and
- (5) Transmitting a copy of the measure to the Comptroller, rather than the Auditor.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 180, 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. 180, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 2915 Economic Development and Technology on S.R. No. 81**

The purpose of this measure is to request the Auditor to initiate the first audit of the Wireless Enhanced 911 Fund, including a survey of the status of and available funding for any projects that have been undertaken or planned by public safety answering points during the audit period, and report to the 2011 Legislature on the status of the audit.

The Department of Accounting and General Services submitted testimony in opposition to this measure.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that due to the unprecedented revenue shortfalls of over \$2,000,000,000 during this fiscal biennium, \$16,000,000 in funds were deemed to be excess balances over Wireless Enhanced 911 project needs and transferred from the Wireless Enhanced 911 Fund in 2009, by Act 69, Session Laws of Hawaii 2009, and your Committee anticipates that at least \$5,000,000 in additional funds may be transferred from the Fund in 2010. Your Committee is concerned that this would seriously jeopardize the State's ability to improve and enhance its capabilities to respond to life-threatening circumstances.

Your Committee has amended this measure by replacing the provisions relating to an audit with a request that the Wireless Enhanced 911 Board report to the Legislature on the Wireless Enhanced 911 Fund. Specifically this measure is amended by:

- (1) Amending the title to read: "REQUESTING A REPORT OF THE WIRELESS ENHANCED 911 FUND";
- (2) Replacing Whereas language relating to an audit with language describing funds transferred from the Fund to address revenue shortfalls; and the importance of leveraging federal, state, county and Wireless Enhanced 911 funds to improve and enhance the State's capabilities to respond to life-threatening circumstances;
- (3) Specifying that the report include Fund income and disbursements, including any transfers of unexpended balances for the previous and current fiscal years;
- (4) Changing the reporting date from twenty days prior to the 2011 Legislative Session to September 1, 2010; and
- (5) Transmitting a copy of the measure to the Comptroller, rather than the Auditor.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 81, 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. 81, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 2916 Human Services on S.C.R. No. 194**

The purpose of this measure is to request that the Senate President and Speaker of the House of Representatives authorize the Joint Legislative Committee on Aging in Place to continue to meet and carry out the work of the Committee that is currently set to terminate on June 30, 2010.

Testimony in support of this measure was submitted by the Association for the Advancement of Retired Persons, the Policy Advisory Board for Elder Affairs, the National Multiple Sclerosis Society, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that being able to age with dignity in one's own home is a highly coveted idea with members of our community, and that resources should be utilized so that people are allowed to age as long as possible at home. Your Committee also finds that many grandparents in the community are raising their grandchildren or are significant caregivers for them and experience many of the same obstacles that younger caregivers do when in a family setting. Your Committee further finds that despite the economic climate that has eliminated many resources for these caregivers, the issue of aging in place continues to be very important to members of the community and the work of the Joint Legislative Committee on Aging in Place should continue.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 194 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 (Green).

**SCRep. 2917 Human Services on S.R. No. 93**

The purpose of this measure is to request that the Senate President and Speaker of the House of Representatives authorize the Joint Legislative Committee on Aging in Place to continue to meet and carry out the work of the Committee that is currently set to terminate on June 30, 2010.

Testimony in support of this measure was submitted by the Association for the Advancement of Retired Persons, the Policy Advisory Board for Elder Affairs, the National Multiple Sclerosis Society, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that being able to age with dignity in one's own home is a highly coveted idea with members of our community, and that resources should be utilized so that people are allowed to age as long as possible at home. Your Committee also finds that many grandparents in the community are raising their grandchildren or are significant caregivers for them and experience many of the same obstacles that younger caregivers do when in a family setting. Your Committee further finds that despite the

economic climate that has eliminated many resources for these caregivers, the issue of aging in place continues to be very important to members of the community and the work of the Joint Legislative Committee on Aging in Place should continue.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 93 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 (Green).

**SCRep. 2918 Human Services on S.C.R. No. 169**

The purpose of this measure is to request the formation of a joint legislative task force to study and evaluate surrounding poverty and the policies and practices that would address how to reduce families and individuals living in poverty by at least fifty per cent by 2020.

Testimony in support of this measure was submitted by the National Association of Social Workers, Hawaii Chapter. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that poverty is a pervasive problem, especially for those individuals and families living in Hawaii where the cost of living is well above most other states in America. Children that grow up impoverished carry their problems into adulthood and statistically are more likely to have behavioral and health problems. Your Committee also finds that the social cost of poverty, including increased crime rates and negative economic impacts, are detrimental to our communities and should be addressed.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 169 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 (Green).

**SCRep. 2919 Human Services on S.R. No. 74**

The purpose of this measure is to request the formation of a joint legislative task force to study and evaluate surrounding poverty and the policies and practices that would address how to reduce families and individuals living in poverty by at least fifty per cent by 2020.

Testimony in support of this measure was submitted by the National Association of Social Workers, Hawaii Chapter. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that poverty is a pervasive problem, especially for those individuals and families living in Hawaii where the cost of living is well above most other states in America. Children that grow up impoverished carry their problems into adulthood and statistically are more likely to have behavioral and health problems. Your Committee also finds that the social cost of poverty, including increased crime rates and negative economic impacts, are detrimental to our communities and should be addressed.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 74 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 (Green).

**SCRep. 2920 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 70**

The purpose of this measure is to authorize the sale of state reclaimed lands at Kaneohe, Koolauoko, Oahu, for beach access right-of-way purposes.

Testimony in support of this measure was submitted by one state agency. One member of the House of Representatives submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The subject state reclaimed lands were developed as part of a channel-dredging project pursuant to a permit issued in 1939 by the Army Corps of Engineers in Kaneohe Bay. The reclaimed lands were set aside under Governor's Executive Order No. 3410 to the City and County of Honolulu for a beach park. However, the reclaimed lands do not have a sandy beach and maintenance of the parcel is difficult due to limited access. Thus, the City and County of Honolulu did not develop a beach park and has no objection to disposing of a portion of the reclaimed land to the abutting landowners. The reclaimed land abuts three different landowners: the Goulds, the Schreiners, and the City and County of Honolulu. The City and County of Honolulu would like to keep the portion of the land that abuts their existing beach access right-of-way.

Your Committee finds that any fee simple sale or gift of state reclaimed land is subject to section 171-64.7, Hawaii Revised Statutes, which requires that a concurrent resolution be submitted to the Legislature for approval with specific information included. The specific information required includes the appraisal value of the land, the name of the appraiser, and the date of the appraisal. The Department of Land and Natural Resources did not conduct an appraisal for the portion of the reclaimed land to be gifted to the City and County of Honolulu. Without an opinion from the Attorney General to support the Department of Land and Natural Resources' position that an appraisal is not required under the law, your Committee has determined that the Concurrent Resolution is incomplete with regard to the gift to the City and County of Honolulu. Thus, your Committee authorizes the transfers to the Goulds and the Shreiners with this Concurrent Resolution, as amended. However, because there is no appraisal, as required by law, your Committee does not authorize the transfer to the City and County of Honolulu.



Your Committee has amended this measure by:

- (1) Clarifying the history of the subject state reclaimed lands and identifying the Tax Map Key Number;
- (2) Explaining that the Board of Land and Natural Resources action authorized by this Concurrent Resolution refers to three separate transfers of property;
- (3) Including the appraiser, appraisal value, and date of the appraisal for two of the subject transfers, as available;
- (4) Amending the Concurrent Resolution to reflect your Committee's decision to authorize two of the three transfers;
- (5) Inserting a provision to urge the Board of Land and Natural Resources to offer the Office of Hawaiian Affairs a right of first refusal to purchase the properties;
- (6) Amending its title to reflect the amended purpose;
- (7) Providing that a certified copy of the Concurrent Resolution has been transmitted to the Administrator of the Office of Hawaiian Affairs; and
- (8) Making technical, nonsubstantive changes for the purposes of consistency and clarity.

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. 70, 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. 70, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 2921 (Joint) Energy and Environment and Tourism on S.C.R. No. 151**

The purpose of this measure is to request the development and airing of public service announcements on commercial passenger air flights to the State on the importance of caring for the State's unique and fragile ecosystem.

Testimony in support of the measure was submitted by one federal agency, five organizations, and five individuals. One state agency submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The Hawaiian monk seal is one of the rarest marine mammals in the world, and among the world's most endangered species, with the population currently declining at four per cent annually and estimated at fewer than one thousand two hundred individuals. In 2008, the Hawaiian monk seal was designated as the State's mammal to increase awareness of it as an endangered species with the hope that this awareness would result in increased protection and its repopulation. Two recent incidents of intentionally killed monk seals on Kauai and one on Molokai have brought attention to the human threat to the seals. In September, a Kauai man plead guilty to shooting a seal in violation of the federal Endangered Species Act and received a ninety-day jail term, one year supervised release, and a \$25 fine. Your Committees are concerned that such a sentence sends the wrong message to Hawaii residents and visitors regarding the value of the Hawaiian monk seal.

Your Committees find that a comprehensive outreach program for Hawaii residents and visitors regarding the importance of the Hawaiian monk seal and other endangered Hawaiian flora and fauna needs to be firmly established. Hawaii residents and visitors need ready-access to information on the State's unique and fragile ecosystems, recommendations on how to care for the State's ecosystems, and information on how to behave if one comes into contact with a Hawaiian monk seal. Your Committees recognize the concerns of the Hawaii Tourism Authority, and hope that they will use their best efforts to encourage commercial passenger airlines to air the public service announcements and also find other venues to reach Hawaii residents and visitors.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 151 and recommend that it be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Majority Leader and the Chair on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hemmings, Kokubun, Tsutsui).

**SCRep. 2922 Higher Education on S.C.R. No. 227**

The purpose of this measure is to request, for review by the Legislature and the Auditor, an accounting and report concerning items of value, including viewing time on Mauna Kea telescopes, provided to the University of Hawaii and its Institute for Astronomy for the lease or use of facilities on public trust lands on the summit of Mauna Kea.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Mauna Kea Anaina Hou, the Royal Order of Kamehameha I, Na Koa Ikaika o Ka Lahui Hawaii, the Sierra Club Hawaii Chapter, KAHEA, Life of the Land, and 178 individuals. The University of Hawaii System and the Hawaii Island Economic Development Board provided comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes that Mauna Kea is a unique place with significant cultural, economic, and intellectual value and that numerous individuals and groups have varying interests and ideas regarding the appropriate and fair use of Mauna Kea lands. Your Committee believes that the reporting of accurate data requested by this measure can help build cohesiveness and encourage discussion among these individuals and groups to ultimately promote equality and agreement in the use of Mauna Kea lands.

Based upon submitted testimony, your Committee has questions regarding the accuracy of some of the claims asserted in this measure. Additionally, your Committee finds that several amendments to this measure would better encourage this measure's intent of promoting equality and sharing of the use of Mauna Kea lands.



Accordingly, your Committee has amended this measure as follows:

- (1) Removing language for which your Committee is unable to verify accuracy at this time; recognizing that although some of the stricken language indicated that large amounts of fees are collected for viewing time on Mauna Kea telescopes, a large portion of the fees are used for the operating costs of the telescopes;
- (2) Removing language that your Committee deems as inessential to promoting collaboration and advancing the intent of this measure;
- (3) Requesting that information be reported on viewing time and value received from the University of Hawaii (UH) in every year since 2007, rather than from 1968;
- (4) Extending the deadline by which UH must submit its requested information to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2011, to ensure that the data submitted is accurate and as complete as possible;
- (5) Adding to the requested materials a plan of action that will ensure UH will develop a self-sustaining model to meet its obligation to the community while working to preserve and protect the Mauna Kea lands, including a process and considerations for the negotiation of future lease agreements;
- (6) Removing language requesting the Auditor to conduct a review of UH's report; noting that the Legislature may request an audit in the future as a follow-up upon receipt of the information requested by this measure;
- (7) Amending the title to reflect its amended purpose; and
- (8) 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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 227, 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. 227, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Kokubun, Taniguchi).

**SCRep. 2923 Higher Education on S.R. No. 118**

The purpose of this measure is to request, for review by the Legislature and the Auditor, an accounting and report concerning items of value, including viewing time on Mauna Kea telescopes, provided to the University of Hawaii and its Institute for Astronomy for the lease or use of facilities on public trust lands on the summit of Mauna Kea.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Mauna Kea Anaina Hou, the Royal Order of Kamehameha I, Na Koa Ikaika o Ka Lahui Hawaii, the Sierra Club Hawaii Chapter, KAHEA, Life of the Land, and 178 individuals. The University of Hawaii System and the Hawaii Island Economic Development Board provided comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes that Mauna Kea is a unique place with significant cultural, economic, and intellectual value and that numerous individuals and groups have varying interests and ideas regarding the appropriate and fair use of Mauna Kea lands. Your Committee believes that the reporting of accurate data requested by this measure can help build cohesiveness and encourage discussion among these individuals and groups to ultimately promote equality and agreement in the use of Mauna Kea lands.

Based upon submitted testimony, your Committee has questions regarding the accuracy of some of the claims asserted in this measure. Additionally, your Committee finds that several amendments to this measure would better encourage this measure's intent of promoting equality and sharing of the use of Mauna Kea lands.

Accordingly, your Committee has amended this measure as follows:

- (1) Removing language for which your Committee is unable to verify accuracy at this time; recognizing that although some of the stricken language indicated that large amounts of fees are collected for viewing time on Mauna Kea telescopes, a large portion of the fees are used for the operating costs of the telescopes;
- (2) Removing language that your Committee deems as inessential to promoting collaboration and advancing the intent of this measure;
- (3) Requesting that information be reported on viewing time and value received from the University of Hawaii (UH) in every year since 2007, rather than from 1968;
- (4) Extending the deadline by which UH must submit its requested information to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2011, to ensure that the data submitted is accurate and as complete as possible;
- (5) Adding to the requested materials a plan of action that will ensure UH will develop a self-sustaining model to meet its obligation to the community while working to preserve and protect the Mauna Kea lands, including a process and considerations for the negotiation of future lease agreements;
- (6) Removing language requesting the Auditor to conduct a review of UH's report; noting that the Legislature may request an audit in the future as a follow-up upon receipt of the information requested by this measure;
- (7) Amending the title to reflect its amended purpose; and

- (8) 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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 118, 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. 118, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Kokubun, Taniguchi).

**SCRep. 2924 (Joint) Public Safety and Military Affairs and Judiciary and Government Operations on S.C.R. No. 191**

The purpose of this measure is to request the Hawaii Paroling Authority to establish a two-year pilot project similar to the Judiciary's probation modification project, Hawaii's Opportunity Probation with Enforcement, or HOPE.

Your Committees received testimony in support of this measure from three private entities and thirteen individuals. Comments were received from one branch of government. Testimony in opposition was received from one state department. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure also requests, among other things, that:

- (1) The two-year pilot parole modification project consist of no more than thirty parolees who are considered to be at high risk of violating the conditions of their parole; and
- (2) The Hawaii Paroling Authority make a preliminary report to the Legislature no later than December 1, 2011, and a final report no later than December 1, 2012, on specified information.

In 2004, the Circuit Court of the First Circuit launched a probation modification project, also known as Hawaii's Opportunity Probation with Enforcement, or HOPE. In a one-year, randomized controlled trial comparing HOPE probationers to probationers in a control group, HOPE probationers were fifty-five per cent less likely to be arrested for a new crime, seventy-two per cent less likely to use drugs, sixty-one per cent less likely to skip appointments with their supervisory officer, and fifty-three per cent less likely to have their probation revoked. As a result of their improved progress, the HOPE probationers involved in the controlled trial served or were sentenced to, on average, forty-eight per cent fewer days of incarceration than probationers in the control group. This measure is an effort to establish a comparable HOPE program to the parole system.

Your Committees have amended this measure by:

- (1) Specifying that the two-year pilot parole modification project consist of not more than thirty parolees to be chosen by the Hawaii Paroling Authority, and deleting reference to "high risk" in relation to the inmates in the program;
- (2) Deleting the reference to "weekly" in relation to the frequency of randomized drug testing; and
- (3) Requesting the State Attorney General and the HOPE Program of the Judiciary to assist the Department of Public Safety to gather and record information for purposes of the reports to the Legislature.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 191, 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. 191, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (English, Hemmings, Kidani).

**SCRep. 2925 (Joint) Public Safety and Military Affairs and Judiciary and Government Operations on S.R. No. 90**

The purpose of this measure is to request the Hawaii Paroling Authority to establish a two-year pilot project similar to the Judiciary's probation modification project, Hawaii's Opportunity Probation with Enforcement, or HOPE.

Your Committees received testimony in support of this measure from three private entities and thirteen individuals. Comments were received from one branch of government. Testimony in opposition was received from one state department. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure also requests, among other things, that:

- (1) The two-year pilot parole modification project consist of no more than thirty parolees who are considered to be at high risk of violating the conditions of their parole; and
- (2) The Hawaii Paroling Authority make a preliminary report to the Legislature no later than December 1, 2011, and a final report no later than December 1, 2012, on specified information.

In 2004, the Circuit Court of the First Circuit launched a probation modification project, also known as Hawaii's Opportunity Probation with Enforcement, or HOPE. In a one-year, randomized controlled trial comparing HOPE probationers to probationers in a control group, HOPE probationers were fifty-five per cent less likely to be arrested for a new crime, seventy-two per cent less likely to use drugs, sixty-one per cent less likely to skip appointments with their supervisory officer, and fifty-three per cent less likely to have their probation revoked. As a result of their improved progress, the HOPE probationers involved in the controlled trial served or were sentenced to, on average, forty-eight per cent fewer days of incarceration than probationers in the control group. This measure is an effort to establish a comparable HOPE program to the parole system.

Your Committees have amended this measure by:

- (1) Specifying that the two-year pilot parole modification project consist of not more than thirty parolees to be chosen by the Hawaii Paroling Authority, and deleting reference to "high risk" in relation to the inmates in the program;
- (2) Deleting the reference to "weekly" in relation to the frequency of randomized drug testing; and
- (3) Requesting the State Attorney General and the HOPE Program of the Judiciary to assist the Department of Public Safety to gather and record information for purposes of the reports to the Legislature.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 90, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 90, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (English, Hemmings, Kidani).

**SCRep. 2926 Economic Development and Technology on S.R. No. 55**

The purpose of this measure is to convene a Joint Legislative Work Group during the interim of 2010 to study and develop recommendations for practical incentives to support expansion of the film and creative media and defense and dual-use industries in 2010 and succeeding decades.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; The Chamber of Commerce of Hawaii; and Local 665, International Alliance of Theatrical and Stage Employees (IATSE).

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that these industries are critically important to Hawaii's economic recovery, and recent departmental staffing and budget cuts, as well as pending and proposed changes to tax credits that have enabled these industries to grow, will have a severe impact on the health of many Hawaii businesses. Through the public-private sector collaboration of this Work Group, new incentives and solutions can be developed for the benefit of all concerned.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 55 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. 2927 Health on S.C.R. No. 123**

The purpose of this measure is to urge the Board of Naturopathic Medicine (Board) to adopt administrative rules that include education and training requirements for parenteral therapy in accord with Act 22, Special Session Laws of Hawaii 2009, so that naturopathic doctors may resume the practice of parenteral therapy.

Your Committee received testimony in support of this measure from one individual. Testimony in opposition to this measure was submitted by the Board of Naturopathic Medicine. Testimony commenting on this measure was submitted by the University of Hawai'i John A. Burns School of Medicine and the Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it was not the Legislature's intent to prohibit naturopathic doctors from performing parenteral therapy by passing Act 22, Special Session Laws of Hawaii 2009. Your Committee notes that the delayed effective date of the prohibition of parenteral therapy in Act 22 was intended to provide the Board with sufficient time to establish the necessary administrative rules to ensure uninterrupted parenteral care regimens by naturopathic doctors. The current interruption of ongoing health care to patients previously receiving legal parenteral therapy from licensed naturopaths was unnecessary.

Your Committee hopes that the Board of Naturopathic Medicine will remedy this situation by immediately adopting rules that grandfather parenteral therapy for all persons licensed under chapter 455, Hawaii Revised Statutes, prior to January 1, 2010. Your Committee further anticipates that the Board will speedily develop and pass administrative rules permitting naturopathic doctors to practice parenteral therapy thereby effecting the intent of Act 22, Special Session Laws of 2009.

Your Committee has amended this measure by:

- (1) Including more detailed background information of the history of parenteral therapy as practiced by naturopathic doctors in Hawaii and across the nation;
- (2) Noting that there have been no complaints or malpractice insurance claims filed regarding parenteral therapy provided by a naturopathic doctor in Hawaii or nationally;
- (3) Noting that licensing examinations for naturopathic doctors including parenteral therapeutics have previously been accepted by the State of Hawaii;
- (4) Referencing H.B. No. 1155, a bill previously passed by the Legislature but vetoed by the Governor which clarified that naturopathic physicians have the authority to administer natural medicines by injection, as an example of the legislature's intent to allow naturopathic doctors to perform parenteral therapy;
- (5) Explicitly referencing that the effective date of the section 3, Act 22, Hawaii Revised Statutes, regarding the prohibition of parenteral therapy by naturopathic doctors without governing administrative rules, was delayed until January 1, 2010, whereas

the mandate to the Board to develop those administrative rules took effect immediately, demonstrating the Legislature's intent that there was to have been no break in parenteral therapy by naturopathic doctors; and

- (6) Amending the title to correct an erroneous reference.

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. 123, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 123, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 2928 Health on S.R. No. 53**

The purpose of this measure is to urge the Board of Naturopathic Medicine (Board) to adopt administrative rules that include education and training requirements for parenteral therapy in accord with Act 22, Special Session Laws of Hawaii 2009, so that naturopathic doctors may resume the practice of parenteral therapy.

Your Committee received testimony in support of this measure from one individual. Testimony in opposition to this measure was submitted by the Board of Naturopathic Medicine. Testimony commenting on this measure was submitted by the University of Hawai'i John A. Burns School of Medicine and the Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it was not the Legislature's intent to prohibit naturopathic doctors from performing parenteral therapy by passing Act 22, Special Session Laws of Hawaii 2009. Your Committee notes that the delayed effective date of the prohibition of parenteral therapy in Act 22 was intended to provide the Board with sufficient time to establish the necessary administrative rules to ensure uninterrupted parenteral care regimens by naturopathic doctors. The current interruption of ongoing health care to patients previously receiving legal parenteral therapy from licensed naturopaths was unnecessary.

Your Committee hopes that the Board of Naturopathic Medicine will remedy this situation by immediately adopting rules that grandfather parenteral therapy for all persons licensed under chapter 455, Hawaii Revised Statutes, prior to January 1, 2010. Your Committee further anticipates that the Board will speedily develop and pass administrative rules permitting naturopathic doctors to practice parenteral therapy thereby effecting the intent of Act 22, Special Session Laws of 2009.

Your Committee has amended this measure by:

- (1) Including more detailed background information of the history of parenteral therapy as practiced by naturopathic doctors in Hawaii and across the nation;
- (2) Noting that there have been no complaints or malpractice insurance claims filed regarding parenteral therapy provided by a naturopathic doctor in Hawaii or nationally;
- (3) Noting that licensing examinations for naturopathic doctors including parenteral therapeutics have previously been accepted by the State of Hawaii;
- (4) Referencing H.B. No. 1155, a bill previously passed by the Legislature but vetoed by the Governor which clarified that naturopathic physicians have the authority to administer natural medicines by injection, as an example of the legislature's intent to allow naturopathic doctors to perform parenteral therapy;
- (5) Explicitly referencing that the effective date of the section 3, Act 22, Hawaii Revised Statutes, regarding the prohibition of parenteral therapy by naturopathic doctors without governing administrative rules, was delayed until January 1, 2010, whereas the mandate to the Board to develop those administrative rules took effect immediately, demonstrating the Legislature's intent that there was to have been no break in parenteral therapy by naturopathic doctors; and
- (6) Amending the title to correct an erroneous reference.

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. 53, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.R. No. 53, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 2929 (Joint/Majority) Health and Human Services on S.C.R. No. 179**

The purpose of this measure is to request that the Governor develop proposed legislation based on the Hawaii QUEST request for proposal requirements to mandate the size and extent of a managed care plan's specialty network for both QUEST and QUEST Expanded Access plans.

Your Committees received testimony in support of this measure from AlohaCare. Testimony in opposition to this measure was submitted by the Department of Human Services. Testimony in support of this measure with amendments was submitted by the Waianae Coast Comprehensive Health Center. Testimony commenting on this measure was submitted by Evercare by United Healthcare. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that inadequate provider networks have been a major barrier to access to care for Hawaii's Medicaid eligible members. This problem is particularly pernicious on the neighbor islands. Your Committees further find that the lack of adequate specialty provider networks results in delays in treatment and reduced program cost-efficiency.

Your Committees have amended this measure by:

- (1) Removing references to the California's Knox-Keene Health Care Service Plan Act of 1975 and replacing them with references to the current Hawaii QUEST request for proposal requirements;
- (2) Including the request that plans certify that they have a contracted network that meets minimum request for proposal standards before receiving any QUEST or QUEST Expanded Access contract awards;
- (3) Requesting that for federally designated Medically Underserved Areas, access to transportation, translation, and outreach services, and additionally for QUEST Expanded Access that management agencies, nursing facilities, and long term care, will be provided in a timely manner; and
- (4) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 179, as amended herein, and recommend that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 179, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 1 (Hemmings). Excused, none.

**SCRep. 2930 Labor on S.C.R. No. 239**

The purpose of this measure is to request the Office of the Auditor to review and compare the health care benefits available under the Medicaid program, the Prepaid Health Care Act, and the health care programs of the Employer-Union Health Benefits Trust Fund.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that exploring the available options for health care that are accessible to the people of Hawaii will provide for a potential cost savings and improvement in the quality of health care that is received. Your Committee also finds that in conjunction with the sweeping health care reform recently passed by Congress, now is the appropriate time for the State to explore various mechanisms that would enable the State to provide health care to more people in Hawaii at an affordable cost. For example, analysis of the impact of Hawaii raising its eligibility criteria for Medicaid coverage to three hundred per cent of the federal poverty level under the Section 1115, U.S.C.A. Title 42, waiver program could provide valuable feedback.

Your Committee has amended this measure by:

- (1) Amending its title to delete health care programs of the Employer-Union Health Benefits Trust Fund;
- (2) Removing all references to the Employer-Union Health Benefits Trust Fund;
- (3) Adding a request to analyze the federal health care reform recently passed by Congress to determine its potential impact on the people of Hawaii; and
- (4) Deleting the request to determine the feasibility of coverage for public sector employees and their families earning less than three hundred per cent of the federal poverty level under Medicaid.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 239, 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. 239, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 2931 Labor on S.R. No. 119**

The purpose of this measure is to request the Office of the Auditor to review and compare the health care benefits available under the Medicaid program, the Prepaid Health Care Act, and the health care programs of the Employer-Union Health Benefits Trust Fund.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that exploring the available options for health care that are accessible to the people of Hawaii will provide for a potential cost savings and improvement in the quality of health care that is received. Your Committee also finds that in conjunction with the sweeping health care reform recently passed by Congress, now is the appropriate time for the State to explore various mechanisms that would enable the State to provide health care to more people in Hawaii at an affordable cost. For example, analysis of the impact of Hawaii raising its eligibility criteria for Medicaid coverage to three hundred per cent of the federal poverty level under the Section 1115, U.S.C.A. Title 42, waiver program could provide valuable feedback.

Your Committee has amended this measure by:

- (1) Amending its title to delete health care programs of the Employer-Union Health Benefits Trust Fund;
- (2) Removing all references to the Employer-Union Health Benefits Trust Fund;
- (3) Adding a request to analyze the federal health care reform recently passed by Congress to determine its potential impact on the people of Hawaii; and
- (4) Deleting the request to determine the feasibility of coverage for public sector employees and their families earning less than three hundred per cent of the federal poverty level under Medicaid.



As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 119, 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. 119, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 2932 (Joint) Human Services and Judiciary and Government Operations on S.C.R. No. 82**

The purpose of this measure is to request the development of a task force to assist in finding missing or lost senior citizens.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Occupational Therapy Association of Hawaii, and the Policy Advisory Board for Elder Affairs. Testimony in opposition to this measure was submitted by the Police Department of the City and County of Honolulu and the Office of the Attorney General. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that there is a growing problem with senior citizens becoming lost, prone to forgetfulness, or experiencing disorientation. Your Committees also find that there are programs in place and promising technological advancements that can be used to develop a statewide response system to assist in finding missing adults. Your Committees further find that establishing and maintaining a database with at-risk adults is an important preventative measure as well as irreplaceable tool in finding those who are unable to relate their personal information. Accordingly, your Committees have amended this measure by:

- (1) Replacing the Office of the Attorney General with the Joint Legislative Committee on Aging in Place as the convener of the Task Force;
- (2) Adding the Alzheimer's Association, Hawaii Government Employee's Association Retiree Division, each county's office on aging, and any entity designated by the Joint Legislative Task Committee on Aging in Place that may be beneficial through their services to those who may become disoriented as members of the Task Force;
- (3) Designating the response system to be statewide; and
- (4) Amending its title to reflect the amended purpose.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 82, 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. 82, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Green).

**SCRep. 2933 (Joint) Human Services and Judiciary and Government Operations on S.C.R. No. 91**

The purpose of this measure is to request an audit of child custody proceedings involving the commission of family violence by a parent to assess the use and application of the criteria and procedure in awarding custody and visitation.

Testimony in support of this measure was submitted by The Center for Judicial Excellence, the Hawaii State Coalition Against Domestic Violence, Angel Group, and twenty-three individuals. Comments on this measure were submitted by State of Hawaii Judiciary. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that there appears to be numerous problems with the continuity and timeliness of custody and visitation orders in the State of Hawaii, and that some cases continue on for many years, some over decades. Your Committees find that domestic violence between the parties changes the dynamic of the proceedings and often may change the custody determination. Your Committees further find that it is more appropriate to utilize an investigating committee as opposed to an audit and that the investigation should be more focused. Accordingly, your Committees have amended this measure by:

- (1) Changing the audit to an investigating committee;
- (2) Designating the Senate Human Services Committee as the investigating committee;
- (3) Narrowing the scope of the investigation to look into only custody cases that involve domestic violence and that are contested;
- (4) Requesting the Judiciary to assist the investigative committee in this endeavor; and
- (5) Amending the title to conform to these changes.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Government Operations 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 91, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2934 (Joint) Human Services and Judiciary and Government Operations on S.C.R. No. 7**

The purpose of this measure is to convene a working group to study family court child custody evaluator standards, procedures, and education curriculum, and other requirements to effectively implement the requirements of Act 149, Session Laws of Hawaii 2008.

Your Committees received testimony in support of this measure from the Employee Assistance Resources-Hawaii, LLC, TalkDoctors, LLC, the Hawaii Association for Marriage and Family Therapy, and two individuals. Testimony opposing this measure



was submitted by the Hawaii State Coalition Against Domestic Violence. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that in 2009, the Legislative Reference Bureau studied custody evaluation in seven other states and found that all require a combination of education, training, experience, knowledge, and skill from custody workers.

Your Committees further find that working groups studying the Hawaii Family Court in 2004, 2006, and 2007 presented successful legislative proposals that made the Family Court more accessible, family-oriented, and focused on reducing caseloads, limiting the long-term use of interventions, ensuring greater accountability of court-appointed personnel, and examining ways to reduce needless expenditures of time and money. Your Committees hope that this new working group will have similar success in developing workable proposals to improve Hawaii's training curriculum, education, and continuing training requirements with the goal of establishing a child custody evaluation curriculum and coursework.

Your Committees have amended this measure by:

- (1) Removing the Hawaii State Coalition Against Domestic Violence from the list of working group participants; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 7, 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. 7, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2935 (Majority) Commerce and Consumer Protection on S.C.R. No. 218**

The purpose of this measure is to state the Legislature's support of every citizen's right to publicly display or fly the American flag, subject to reasonable association rules for homeowners governing the height and location of flag poles.

Your Committee received testimony in support of this measure from six individuals. Testimony in opposition to this measure was submitted by eleven individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure was introduced to address concerns with condominium, cooperative, and residential real estate management associations' compliance with the federal law governing members' right to fly the flag. Your Committee believes that this measure is a more appropriate response to the issue of limitations on flags than H.B. No. 2311 because the federal law already explicitly states that condominium, cooperative, and residential real estate management associations may not adopt any policy or agreement that restricts or prevents a member of the association from displaying the American flag. H.B. No. 2311, is also limited because it addresses only one way to display the American flag, whereas the federal law is more comprehensive and would preempt any state law that may be enacted on the same subject matter.

Your Committee finds that this measure rightfully highlights the values and ideals that are symbolized by the flag and it underscores the rights of all citizens to display the flag in an appropriate manner that is in compliance with custom and federal law.

Your Committee has amended this measure by:

- (1) Inserting the full text of Public Law 109-243, section 3, for additional clarity and to demonstrate the strength and explicitness of the federal law;
- (2) Adding the Community Association Institute to the entities to which the resolution shall be transmitted; and
- (3) Removing reference to specific planned community association.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 218, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 218, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Hemmings). Excused, none.

**SCRep. 2936 Health on S.C.R. No. 235**

The purpose of this measure is to request the Department of Health to establish a clean and sober home and halfway house task force to address occupancy requirements, accountability, regulation, and community and advocate education at these facilities.

Your Committee received testimony in support of this measure from the Hawaii Disability Rights Center. Testimony in support of the intent of this measure with amendments was received from the Hawaii Substance Abuse Coalition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that clean and sober homes and halfway houses are an integral step in the treatment of individuals recently released from incarceration and with substance abuse issues. However, these facilities are often not welcomed additions to neighborhoods and communities. Your Committee intends that this task force examine possible approaches to improving community relations.

Your Committee has amended this measure by:

- (1) Requesting the task force to establish a clear, legal definition of "clean and sober home";

- (2) Adding legal representatives, as determined by the convener, to the task force membership to address issues such as discrimination;
- (3) Requesting all relevant agencies to consult with the legal representative members to ensure that clients are referred only to clean and sober homes and halfway houses that satisfy state zoning guidelines, the Federal Fair Housing Act, Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and other laws providing housing opportunities and protections for people with disabilities; and
- (4) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

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. 235, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 235, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2937 Health on S.R. No. 79**

The purpose of this measure is to urge the Hawaii Health Systems Corporation to accept medical student rotations from A.T. Still University School of Osteopathic Medicine based out of the Waianae Coast Comprehensive Health Center, the University of Hawaii John A. Burns School of Medicine, and other Hawaii-based medical schools at its facilities and to work with the Hawaii Primary Care Association to develop a plan to accomplish this objective.

Your Committee received testimony in support of this measure from nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Health Systems Corporation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a critical health care provider shortage in Hawaii that is particularly acute in rural areas. Your Committee further finds that doctors often enter practice in the same locality in which they had their residencies and that encouraging teaching through medical student rotations at Hawaii Health Systems Corporation facilities may be one step toward easing the physician shortage.

Your Committee has amended this measure by requesting the Hawaii Health Systems Corporation to work with the Hawaii Primary Care Association to develop a plan to place students from the A.T. Still University School of Osteopathic Medicine based out of the Waianae Coast Comprehensive Health Center, the University of Hawaii John A. Burns School of Medicine, and other Hawaii-based medical schools in Hawaii Health Systems Corporation facilities for medical student rotations.

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. 79, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 79, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 2938 (Joint/Majority) Health and Labor on S.C.R. No. 40**

The purpose of this measure is to support existing safety regulations concerning hexavalent chromium with the ultimate goal of eventually banning the chemical due to its negative short- and long-term health effects.

Your Committees received testimony in support of this measure from the American Cancer Society. Testimony in opposition to this measure was received from the Department of Labor and Industrial Relations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure promotes the safety of workers in the many industries that use hexavalent chromium. As a general policy, the Legislature opposes the use of chemicals that have serious and potentially fatal effects, particularly when safer alternatives are available.

Your Committees further find that the Hawaii Occupational Safety and Health Division works hard to enforce industrial safety regulations but by dint of the huge number of buildings, locations, chemicals, and codes that they cover the onus must also be on businesses to reduce the risk to their workers, consumers, and neighbors by eliminating toxic chemicals wherever possible.

As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 40, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 40, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 1 (Slom). Excused, 4 (Hee, Hemmings, Nishihara, Taniguchi).

**SCRep. 2939 (Joint) Higher Education and Economic Development and Technology on S.C.R. No. 145**

The purpose of this measure is to proclaim 2010 as the Year of Ethnic Studies in Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii at Manoa Ethnic Studies Department, The Friends of Iolani Palace, and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the faculty and students of the Ethnic Studies Department at the University of Hawaii at Manoa have made significant contributions not only in expanding the body of knowledge regarding racial and ethnic struggles and other social issues impacting residents of the Pacific, but also in applying their knowledge to serve marginalized communities and promote

prosperity and peace in our communities. This measure provides an opportunity to commemorate the Ethnic Studies Department's contributions, raise awareness of ongoing social issues, and continue to promote social change.

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 Higher Education and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 145, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 145, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Hee, Ige, Taniguchi).

**SCRep. 2940 (Joint) Higher Education and Economic Development and Technology on S.R. No. 66**

The purpose of this measure is to proclaim 2010 as the Year of Ethnic Studies in Hawaii.

Testimony in support of this measure was submitted by the University of Hawaii at Manoa Ethnic Studies Department, The Friends of Iolani Palace, and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the faculty and students of the Ethnic Studies Department at the University of Hawaii at Manoa have made significant contributions not only in expanding the body of knowledge regarding racial and ethnic struggles and other social issues impacting residents of the Pacific, but also in applying their knowledge to serve marginalized communities and promote prosperity and peace in our communities. This measure provides an opportunity to commemorate the Ethnic Studies Department's contributions, raise awareness of ongoing social issues, and continue to promote social change.

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 Higher Education and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 66, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 66, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Hee, Ige, Taniguchi).

**SCRep. 2941 (Joint) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on S.C.R. No. 207**

The purpose of this measure is to urge members of Hawaii's congressional delegation to support H.R. 208, the National Guardsmen and Reservists Parity for Patriots Act, and S. 644, the National Guard and Reserve Retired Pay Equity Act of 2009, which would include service after September 11, 2001, as service qualifying for the determination of a reduced eligibility age for receipt of non-regular service retired pay for members of the National Guard and Active Reserve.

Your Committees received testimony in support of this measure from one state department. Written testimony presented to the Committees may be reviewed on the Legislature's website.

When the Reserve and National Guard Retirement Pay System was established in 1948, members of the National Guard and Active Reserve were presumed to have full-time civilian careers subject to extended military service only in the unlikely event of a national mobilization. This retirement system was intended to supplement a normal civilian career promotion and retirement program. Frequent activations remove guard members and reservists from their civilian careers, often costing them promotions and sometimes their jobs, which directly reduces their civilian retirement pay. However, reserve mission increases and a smaller force structure mean that guard members and reservists are devoting a far greater share of their civilian working lives to military service than originally envisioned by the creators of the and National Guard Retirement Pay System.

The National Defense Authorization Act of 2008 reduced the reserve retirement age from age sixty by three months for every ninety days of active duty performed since January 28, 2008. However, it provided no credit for the hundreds of thousands of service members who were called up for duty between September 11, 2001, and January 28, 2008, during the height of deployments to missions in Iraq and Afghanistan. H.R. 208, the National Guardsmen and Reservists Parity for Patriots Act, and S. 644, the National Guard and Reserve Retired Pay Equity Act of 2009, would make the 2008 change retroactive to September 11, 2001.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 207, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 207, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Bunda, Galuteria, Kidani).

**SCRep. 2942 (Joint) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on S.R. No. 105**

The purpose of this measure is to urge members of Hawaii's congressional delegation to support H.R. 208, the National Guardsmen and Reservists Parity for Patriots Act, and S. 644, the National Guard and Reserve Retired Pay Equity Act of 2009, which would include service after September 11, 2001, as service qualifying for the determination of a reduced eligibility age for receipt of non-regular service retired pay for members of the National Guard and Active Reserve.

Your Committees received testimony in support of this measure from one state department. Written testimony presented to the Committees may be reviewed on the Legislature's website.

When the Reserve and National Guard Retirement Pay System was established in 1948, members of the National Guard and Active Reserve were presumed to have full-time civilian careers subject to extended military service only in the unlikely event of a national mobilization. This retirement system was intended to supplement a normal civilian career promotion and retirement program. Frequent activations remove guard members and reservists from their civilian careers, often costing them promotions and sometimes their jobs, which directly reduces their civilian retirement pay. However, reserve mission increases and a smaller force structure mean that guard members and reservists are devoting a far greater share of their civilian working lives to military service than originally envisioned by the creators of the and National Guard Retirement Pay System.

The National Defense Authorization Act of 2008 reduced the reserve retirement age from age sixty by three months for every ninety days of active duty performed since January 28, 2008. However, it provided no credit for the hundreds of thousands of service members who were called up for duty between September 11, 2001, and January 28, 2008, during the height of deployments to missions in Iraq and Afghanistan. H.R. 208, the National Guardsmen and Reservists Parity for Patriots Act, and S. 644, the National Guard and Reserve Retired Pay Equity Act of 2009, would make the 2008 change retroactive to September 11, 2001.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 105, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 105, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Bunda, Galuteria, Kidani).

**SCRep. 2943 Education and Housing on Gov. Msg. No. 196**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF DIRECTORS OF THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION (HFD)**

G.M. No. 196 ALLAN LOS BANOS JR., for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Allan Los Banos, Jr., to have the necessary qualifications to be appointed to the Board of Directors of the Hawaii Housing Finance and Development Corporation (HHFDC).

Testimony in support of the nominee was submitted by the Governor's office, two state agencies, and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Los Banos earned a Bachelor of Arts degree in Anthropology and a Professional Degree in Education. He has extensive experience in the construction industry, which has allowed him to make valuable contributions to the HHFDC and its predecessor agencies. He is currently a Safety Coordinator/Program Specialist for the Hawaii Masons and Plasterers Training Program and an Instructor for Hawaii Electricians Training and Honolulu Community College's Apprenticeship Program, teaching construction safety, HAZWOPER, Confined Space Entry, and other subjects. Mr. Los Banos' previous work experience consists of over thirty years in the construction industry, many of those spent instructing others in environmental, health, and safety areas in construction.

In addition to Mr. Los Banos' experience in the construction industry, he is also active in the community and serves on boards of various professional organizations, such as the Technical Advisory Committee of the Masonry Institute of Hawaii and the Board of Directors of the Hawaii Medical Service Association, Benefit Services Hawaii, Lualaba Hawaii, and AFL-CIO State Federation. In the past, he has served on the State Apprenticeship Council of the Department of Labor and Industrial Relations, Department of Education Environmental Education Committee and Adult and Community Education Advisory Council, Youth 4-H Youth Advisory Board, and as a football and basketball coach.

Mr. Los Banos currently serves on the Board of Directors of HHFDC and previously served on the Board of Directors of the Housing and Community Development Corporation of Hawaii and as Commissioner of the Hawaii Housing Authority, which were predecessors of HHFDC.

Mr. Los Banos has received national recognition as a Federal Citizen of the Year 1986 by the Federal Executive Board, two Presidential Citation nominations, Dope Buster Award for work in substance abuse, and Gold Coin Award for service to the community.

Testifiers, including an HHFDC Board of Directors member who has served with Mr. Los Banos since 2004, strongly support confirmation of Mr. Los Banos to another term on the Board. He is committed to the mission of HHFDC and to increasing the supply of workforce and affordable housing. This commitment, backed by a wealth of experience and knowledge in the construction industry and many years of service to various organizations, makes him a valuable contributor to the work of HHFDC.

As affirmed by the record of votes of the members of your Committee on Education and 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. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 2944 Education and Housing on Gov. Msg. No. 277**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII TEACHER STANDARDS BOARD

G.M. No. 277 VOLETTA NOE NOE TOM, for a term to expire 6-30-2013

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Voletta Noe Noe Tom to have the necessary qualifications to be appointed to the Hawaii Teacher Standards Board.

Testimony in support of the nominee was submitted by three state agencies, four private organizations, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Tom received her Bachelor's degree in Education from the University of Hawaii at Manoa and studied toward a Master's degree in Criminal Justice Administration at Chaminade University.

Ms. Tom's work experience reflects a dedication to the regulation and licensing of various professions to help ensure the correct, consistent, and effective performance of work. She has served for approximately twenty years with the Department of Commerce and Consumer Affairs (DCCA) as an Investigation and Liaison Officer and Licensing Administrator and also as Deputy Director and Director for a portion of her years of service with DCCA. Among her noteworthy accomplishments with DCCA are the implementation of numerous online services for licensees, businesses, and consumers; reduced license fees since 1992; fair and effective handling of licensing disputes; and amendments to Hawaii Administrative Rules that consolidated sections relating to licensing fees.

Ms. Tom was recognized as DCCA's Employee of the Year in 1992 and Manager of the Year in 2000 and is the recipient of the Lieutenant Governor's Slice Waste and Tape Award in 2000. She has also received recognition by the State Auditor for increased efficiency and professionalism of her division of DCCA.

Testifiers remark on Ms. Tom's extensive insight and knowledge of licensing and regulation, her contributions to increased efficiency of DCCA, her strong work ethic, and her experience as a top-level administrator. Your Committee finds that Ms. Tom has applied her experience and knowledge in her work thus far as an interim appointment to the Hawaii Teacher Standards Board. She has a solid understanding of board functions, assessing the duties of a board, providing board members with the tools necessary to perform their jobs well, and ensuring that board members make informed decisions. Your Committee is confident that Ms. Tom will continue to translate her success in regulating and licensing professionals to her work on improving the Board's operational efficiency and licensing renewal process for teachers.

As affirmed by the record of votes of the members of your Committee on Education and 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. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 2945 Education and Housing on Gov. Msg. Nos. 255 and 278**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY (HPHA)

G.M. No. 255 MATTIE A. YOSHIOKA, for a term to expire 6-30-2014; and

G.M. No. 278 ROGER K. GODFREY, for a term to expire 6-30-2013

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Mattie A. Yoshioka and Roger K. Godfrey have the necessary qualifications to be appointed to the Board of Directors of the Hawaii Public Housing Authority (HPHA).

Testimony in support of Ms. Yoshioka was submitted by the Governor's office, two state agencies, two county agencies, and two individuals.

Ms. Yoshioka received a Bachelor's degree in Sociology from the University of Hawaii at Manoa and an Associate's degree in Accounting from Windward Community College.

Ms. Yoshioka's professional experience includes over twenty years of service with the County of Kauai, relating primarily to Community Development. She is currently the President and Chief Executive Officer of Kauai Economic Development Board, Inc., and she has previously served as Director of the Kauai County Offices of Community Assistance, Housing Administrator of the County of Kauai Housing Agency, Community Development Block Grant Coordinator for the County of Kauai, and Office Accountant of the Kauai County Office of Elderly Affairs.

Ms. Yoshioka has also served or currently serves as a member of various boards and commissions, including the Kauai Workforce Investment Board, Economic Development Alliance of Hawaii, Kauai County Charter Review Commission, and the Mayor's Housing Advisory Committee. She has served on the Board of Directors of the HPHA since 2006 and currently serves as the Board Secretary.

As evidenced by Ms. Yoshioka's work history and involvement in community development, affordable housing, and economic development, Ms. Yoshioka is dedicated to the important work of the Board of Directors of the HPHA in completing capital improvement projects in a timely manner, improving the efficiency and accuracy of the financing reporting system of the HPHA, and providing a decent and safe living environment for Hawaii's residents. She also contributes an important neighbor island perspective to the Board.

Ms. Yoshioka is committed to continuing work toward the goals set by HPHA when she first began serving on the Board. Your Committee finds that Ms. Yoshioka is a valuable contributor to the Board of Directors of the HPHA and recommends that she be reappointed for another term on the Board.



Testimony in support of Mr. Godfrey was submitted by the Governor's office, two state agencies, and one individual.

Mr. Godfrey earned a Bachelor of Business Administration degree in Finance and Marketing from the University of Wisconsin and a Master of Business Administration degree in Business from Stanford University. His academic background in Business is bolstered by over forty years of top-level administrative work experience as the President of Times Super Market, Division President of Fleming Companies, Inc., Director of Distribution at Foodland Supermarkets, Ltd., Executive Vice President/General Manager of Certified Corporation, and President/Owner of Key Markets in California.

Mr. Godfrey currently serves in an interim capacity on the Finance Subcommittee of the Board of Directors of the HPHA. Despite a limited amount of experience in public housing issues, he has served on the Hawaii Health Systems Corporation Board and Oahu Workforce Investment Board, gaining valuable experience in government operations. Mr. Godfrey offers valuable expertise in fiscal responsibility, budgeting, cost control, and capital expenditures to assist the Board as it improves accounting and finances for HPHA and resolves ongoing development issues for some of its housing projects.

Your Committee is confident that Mr. Godfrey's extensive experience and success in the private business sector will make him a valuable asset to the Board as it navigates through difficult fiscal issues.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Education and 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, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 2946 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 371**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 371 JOHN B. RAY, for a term to expire 6-30-2014

Your Committee received testimony in support of John B. Ray from the Department of Transportation; Hawaii Island Community Development Corporation; Island Resources Ltd.; and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

John B. Ray is presently a member of the Commission on Transportation, representing the West Hawaii appointment. Mr. Ray is a graduate of the University of Virginia. He is with SunFuels Hawaii LLC. The nominee is currently the President of Hawaii Leeward Planning Conference, and he was previously a Hawaii County Councilmember. Mr. Ray is or has been active with the South Kohala Traffic Safety Committee as Chairman, as well as numerous community organizations.

Your Committee notes favorably from the nominee's written statement: "I have been involved in recreational and transportation issues at Kawaihae Harbor for many years. This experience has given me the insight to contribute to ongoing planning issues for this vital area."

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental 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. 2947 Judiciary and Government Operations on H.B. No. 2020**

The purpose of this measure is to clarify that the counties may, on private streets and streets the ownership of which is in dispute between the State and the counties, enforce traffic and other regulations relating to:

- (1) County vehicular taxes, under chapter 249, Hawaii Revised Statutes;
- (2) Motor vehicle safety responsibility, under chapter 287, Hawaii Revised Statutes;
- (3) Traffic violations, under chapter 291, Hawaii Revised Statutes;
- (4) The use of intoxicants while operating a vehicle, under chapter 291E, Hawaii Revised Statutes;
- (5) Motor vehicle insurance, under article 10C of chapter 431, Hawaii Revised Statutes;
- (6) Motorcycle and motor scooter insurance, under article 10G of chapter 431, Hawaii Revised Statutes; and
- (7) Odometers, under part III of chapter 486, Hawaii Revised Statutes.

Written comments in support of the measure were submitted by one state department and one county agency. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is intended to clarify county enforcement powers of traffic and related regulations. Because the interior roadways of many subdivisions are privately owned and maintained by the subdivision community associations, but are



also open to the public, the counties should have clear authority to assure that the public and subdivision owners are adequately protected by county police departments.

Your Committee has amended this measure by:

- (1) Inserting an effective date of September 14, 2047, to ensure further discussion; and
- (2) Making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2020, 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. 2020, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 2948 Judiciary and Government Operations on H.B. No. 1684**

The purpose of this measure is to prevent and reduce the intentional introduction and spread of invasive species by:

- (1) Making the violation of section 150A-5, Hawaii Revised Statutes, relating to the importation into the State of certain agricultural items, a petty misdemeanor and subject to specified fines;
- (2) Making the intentional importation, possession, harboring, transferring, or transporting, with the intent to propagate, sell, or release, any pest designated by statute or rule a class C felony and subject to specified fines; and
- (3) Expanding the presumption regarding whether a person possesses the "intent to propagate" to include pests designated by statute or rule.

Written comments in support of the measure were submitted by two private organizations. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that invasive insects, diseases, snakes, weeds, and other pests are one of the greatest threats to Hawaii's economy, natural environment, and the health and lifestyle of Hawaii's people. Your Committee believes that this measure will provide necessary disincentives for the intentional introduction of invasive species.

Your Committee has amended this measure by:

- (1) Making technical, nonsubstantive changes for purposes of style and clarity; and
- (2) Inserting an effective date of September 14, 2047, to ensure further discussion regarding this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1684, 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. 1684, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 2949 Judiciary and Government Operations on H.B. No. 134**

The purpose of this measure is to:

- (1) Prohibit an applicant for a driver's license who does not submit proof that the applicant's presence in the United States is authorized by law from receiving a driver's license;
- (2) Provide that the driver's license for a legal immigrant shall expire no later than the licensee's authorized period of stay in the United States; and
- (3) Establish by rule a fee for all driver's license applicants who require verification through the federal system that their presence in the United States is authorized by federal law.

Written comments in support of the measure were submitted by one state department and one county agency. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the federal REAL ID Act of 2005, P.L. 109-13, requires that, in order for a Hawaii State driver's license to be accepted as proof of identity for boarding airplanes or for entering federal buildings, Hawaii must adopt provisions requiring that the presence in the United States of the driver's license applicant or licensee be legal under federal law. Presently, Hawaii is one of only a handful of states that do not yet have these requirements in place.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2010, as recommended by the Department of Transportation; and
- (2) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 134, 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. 134, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Bunda).

**SCRep. 2950 Judiciary and Government Operations on H.B. No. 1944**

The purpose of this measure is to allow military personnel deployed outside of the State on federal active duty to cancel or suspend a health club membership at any time during the contract term, subject to certain conditions.

Written comments in support of the measure were submitted by one private organization. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that allowing members who receive orders for deployment outside Hawaii to suspend or cancel their health club memberships is reasonable. These provisions will allow service members to enter into such memberships without fear that a sudden deployment will require them to forfeit fees paid to the health club.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1944, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1944, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 2951 Commerce and Consumer Protection on H.B. No. 1978**

The purpose of this measure is to:

- (1) Require towing companies located in counties with populations greater than 500,000 people to operate twenty-four hours per day, seven days a week;
- (2) Require tow operators to maintain insurance coverage of at least \$500,000 for bodily injury, \$200,000 for property damage, and \$175,000 for on-hook coverage, or a single limit of liability of at least \$1,000,000; and
- (3) Allow payment of fees for towing services and storage of the vehicle to be made in cash or by debit card, credit card, insurance company check, or commercial check issued by a licensed towing company dispatched by the registered or legal owner or insurer.

Your Committee received testimony in support of this measure from GEICO and the Property Casualty Insurers Association of America. Testimony supporting the intent of this measure with amendments was received from AAA Hawaii and the Hawaii State Towing Association. Testimony commenting on this measure was submitted by the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is intended to protect consumers from unnecessary and inappropriate charges when their vehicle has been towed and stored without their knowledge or consent.

Your Committee further finds that it is in the best interest of consumers to allow timely access to towed vehicles in order to reduce storage and incidental costs. Accepting generally accepted forms of payment, such as debit cards, is a crucial element of consumers receiving their cars in a timely manner. Your Committee recognizes the policy of some companies that perform nonconsensual tows of refusing to accept common forms of payment as a ploy to hold vehicles as long as possible in order to accrue greater storage fees. Your Committee seeks to prohibit that practice with this measure.

Your Committee has amended this measure by:

- (1) Amending section 290-11(b), Hawaii Revised Statutes, by requiring towing companies to accept payment from a registered owner, legal owner, insurer, or a designated representative by debit card, insurance company check, or commercial check in addition to cash, credit card, or automated teller machine located on the premises; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1978, 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. 1978, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Ihara).

**SCRep. 2952 Commerce and Consumer Protection on H.B. No. 2297**

The purpose of this measure is to allow transparent sun screening film materials that meet the requirements of Federal Motor Vehicle Safety Standard 205 to be applied to any portion of a motor vehicle's windshield.

Your Committee received testimony in support of this measure from the Honolulu Department of Customer Services, T&T Tinting Specialists, and The Hawaii Business League. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure updates the law on sunscreen devices, also called tinted windows. Current law restricts tinting to the upper four inches of windshields, known as the AS-1 line, to provide drivers with some relief from the sun. This measure conforms current law to new technologies that reduce 99.9 per cent of the ultraviolet light spectrum and almost half of the heat without reducing light transmission below the federal minimum standard of seventy per cent visible light transmission.

Your Committee has amended this measure by deleting its contents and inserting S.B. No. 2455, S.D. 2, a substantially similar measure which:

- (1) Retains the provision specifying the permissible area of placement of sunscreen devices on the windshield; and
- (2) Clarifies that the sunscreen devices must meet the requirements of Federal Motor Vehicle Safety Standard 205 when applied to the AS-1 portion of the windshield.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2297, 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. 2297, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Ihara).

**SCRep. 2953 Judiciary and Government Operations on H.B. No. 2568**

The purpose of this measure is to enhance the Hawaii Public Housing Authority Board of Directors' (Board) ability to deal with business in a timely manner by reducing the quorum requirement for the Board from seven to six members.

Written comments in support of the measure were submitted by two state agencies. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the current requirement that seven of the eleven members of the Board be present to conduct business has hindered the efficient operation of the Board, particularly as Board members must come from each county to attend meetings. Your Committee also notes that other state boards, including the Board of the Hawaii Housing Finance and Development Corporation, the Board of Education, and Board of Land and Natural Resources, require only a simple majority to conduct business. As such, this change will align the Board's quorum requirement with that of other state boards.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2568, 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 (Bunda, Nishihara).

**SCRep. 2954 Commerce and Consumer Protection on H.B. No. 2056**

The purpose of this measure is to:

- (1) Increase the geographic locations where an individual can obtain the practical experience that is required to become a licensed pharmacist in Hawaii; and
- (2) Require that the necessary practical experience be predominantly related to the practice of pharmacy, rather than requiring the practical experience to occur in a pharmacy.

Specifically, this measure includes the District of Columbia and the United States territories of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and America Samoa as places where practical experience can be earned toward the fifteen hundred hour requirement to become a licensed pharmacist in this State.

Testimony in support of this measure was submitted by the Board of Pharmacy, the University of Hawai'i at Hilo College of Pharmacy, Kaiser Permanente, CVS Caremark/Longs Drugs, the President of the University of Hawai'i at Hilo College of Pharmacy Class of 2013, and one private citizen. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the University of Hawai'i at Hilo College of Pharmacy is the only pharmacy program in the Pacific Basin and that its students come from many territories and countries in the Pacific region who will likely practice pharmacy in a variety of healthcare settings. Your Committee also finds that it is important for the College of Pharmacy's practical experience program to reflect what will be the reality of practice for many of its students, which is in pharmaceutical settings beyond the traditional pharmacy, including clinics and acute care facilities.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2056, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Ihara).

**SCRep. 2955 Commerce and Consumer Protection on H.B. No. 2197**

The purpose of this measure is to provide the board of directors of a condominium association with the authority to install, or cause the installation of, solar or wind energy devices on the common elements of a condominium project.

Testimony in support of this measure was submitted by the President of Country Club Village, Phase 2, Association of Apartment Owners and one private citizen. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure capitalizes on an opportunity to further reduce the State's dependence on fossil fuels by facilitating the installation of renewable energy devices on the common elements of condominiums. Your Committee also finds that this measure would benefit the condominium association and its owners by reducing energy costs and allowing for the lease or license of common elements for the installation of solar or wind energy devices.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2197, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ige, Ihara).

**SCRep. 2956 Commerce and Consumer Protection on H.B. No. 2548**

The purpose of this measure is to update the regulation of prepaid legal service plans primarily by adding definitions, deleting the exemption for insurers regulated under chapters 431 and 432, Hawaii Revised Statutes, requiring the plan administrator to act as a trustee for funds collected by the plan and to maintain a trust account, and allowing the Insurance Commissioner to suspend, revoke, or fine any plan that fails to comply with the law.

Your Committee received testimony in support of the intent of this measure with amendments from the State Insurance Commissioner on behalf of the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is intended to address an increasing number of consumer complaints concerning prepaid legal service plans by modernizing Hawaii Revised Statutes chapter 488 regarding prepaid legal service plans.

Your Committee further finds that this measure will provide the Department of Commerce and Consumer Affairs with more comprehensive oversight and the ability to take action to order the prepaid legal service plan to cease and desist, to refer the case to the Attorney General's or Prosecutor's Office, or to require that the plan make restitution to consumers if appropriate.

Your Committee has amended this measure by:

- (1) Adding restitution to the penalties which may be imposed by the Insurance Commissioner for violation of chapters 431, 432, 480, 481A, 481B, 481C, and 488, Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2010; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2548, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2548, 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 (Ige, Ihara, Sakamoto).

**SCRep. 2957 Judiciary and Government Operations on H.B. No. 2725**

The purpose of this measure is to revise laws prohibiting the cruel treatment of pet animals by:

- (1) Amending the definition of "necessary sustenance" to specify the standards of care that an owner must provide a pet animal, including the type of pet enclosure and under what conditions and veterinary care must be provided; and
- (2) Revising the definition of "pet animal" to exclude certain domesticated rabbits, caged birds, and domesticated pigs.

Testimony in support of the measure was submitted by one private organization and two individuals. Testimony in support of the measure, with suggested amendments, was submitted by two private organizations. Testimony in opposition to the measure was submitted by one state agency. Comments regarding the measure were submitted by one state agency and one private organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the existing definitions applicable to cruelty to animals lack specificity in the areas of the requirements of a primary pet enclosure and the range of care needed to sufficiently preserve the health and well-being of a pet animal. This measure is intended to provide more precision for these matters. However, testimony regarding this measure indicates that there are still unaddressed concerns from various parties. Your Committee notes concerns raised by the Hawaii Farm Bureau Federation and the Hawaii Cattlemen's Council that the habitat requirements in this measure are not intended for livestock or other animals raised for food production purposes, and it is your Committee's intent that only pet animals not raised for food production purposes will be covered by this measure. Your Committee understands that the parties are working together to develop a draft to sort out these points.

Your Committee notes that a measure similar to H.B. No. 2725, H.D. 1, was heard and approved by your Committee and passed by the Senate. Given the ongoing discussion between the parties, your Committee believes that substituting the contents of the similar measure, S.B. No. 2800, S.D. 1, will encourage discussion on these unanswered issues.

Accordingly, your Committee has amended this measure by deleting its contents and substituting the contents of S.B. No. 2800, S.D. 1, which amends the definition of "necessary sustenance" to include:

- (1) The requirements of an area of confinement in a primary pet enclosure; and
- (2) Veterinary care when needed to prevent suffering.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2725, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2725, 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 (Takamine).

**SCRep. 2958 Judiciary and Government Operations on H.B. No. 2724**

The purpose of this measure is to permit tethering of an unattended dog if the tether meets certain specifications and the dog is at least two months old.

Testimony in support of the measure was submitted by one private organization and three individuals. Testimony in support of the measure, with suggested amendments, was submitted by two private organizations. Comments regarding the measure were submitted by one state agency and two private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is intended to amend the prohibitions against tethering a dog and establish key requirements by which a person would be held accountable for cruelty to animals if found in violation. However, testimony regarding this measure indicates that there are still unaddressed concerns from various parties. Your Committee notes concerns raised by the Hawaii Farm Bureau Federation and the Hawaii Cattlemen's Council that this measure is not intended to criminalize certain practices that enable working dogs to learn their trade and stay safe, and it is your Committee's intent that only pet dogs will be covered by this measure and not working dogs used to assist with cattle herding, for example. Your Committee understands that the parties are working together to develop a draft to sort out these points.

Your Committee notes that a measure similar to H.B. No. 2724, H.D. 1, was heard and approved by your Committee and passed by the Senate. Given the ongoing discussion between the parties, your Committee believes that substituting the contents of the similar measure, S.B. No. 2877, S.D. 1, will encourage discussion on these unanswered issues.

Accordingly, your Committee has amended this measure by deleting its contents and substituting the contents of S.B. No. 2877, S.D. 1, which establishes a new violation of confinement of a dog by tethering, prohibiting a person from tethering a dog if the person intentionally, knowingly, or recklessly tethers, fastens, ties, or restrains a dog under certain conditions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2724, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2724, 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 (Takamine).

**SCRep. 2959 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on H.B. No. 1554**

The purpose of this measure is to allow the Chairperson of the Hawaiian Homes Commission and Director of the City and County of Honolulu Department of Planning and Permitting to designate a representative to serve on the Hawaii Community Development Authority.

Prior to the hearing, a proposed draft of H.B. No. 1554, S.D. 1 was circulated.

Testimony in support of the proposed draft was submitted by two state agencies and two organizations. One individual submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The proposed draft requires landowners and developers of Hawaii Community Development Authority lands, who choose to satisfy their reserved affordable housing requirements by constructing or causing to be constructed substitute reserved housing units, to construct those units on lands controlled by the Department of Hawaiian Home Lands. This mandate will provide more viable housing opportunities for the Department of Hawaiian Home Lands. Your Committees find that this measure can also serve the needs of native Hawaiian families struggling to find adequate housing. However, your Committees also recognize the need to create workforce housing in the urban Honolulu core.

Your Committees further find that the measure as received by your Committees which allows the Chairperson of the Hawaiian Homes Commission and Director of the City and County of Honolulu Department of Planning and Permitting to designate a representative to attend and vote at Hawaii Community Development Authority meetings will make it easier to obtain quorum and allow important deliberations and decisions to be made without delay. Thus, your Committees have reverted to the measure as received by your Committees and amended it by:

- (1) Inserting as a new part, the contents of S.B. No. 2408, S.D. 2 to amend the criteria for approval by the Hawaii Community Development Authority of substitute reserved housing projects to be constructed within and outside of the geographic boundaries of the Authority's jurisdiction; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1554, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1554, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair and the Majority Leader on behalf of the Committees.  
Ayes, 8; Ayes with Reservations (Nishihara). Noes, none. Excused, 4 (Gabbard, Hemmings, Kokubun, Slom).

**SCRep. 2960 Transportation, International and Intergovernmental Affairs on H.B. No. 2016**



The purpose of this measure is to authorize the counties to appoint and remove their respective police chiefs pursuant to procedures established under a county charter.

Your Committee received testimony in support of this measure from the Hawaii Council of Mayors. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the grant of such authority is within the purview of the counties' executive and administrative structure and organization, and is therefore supported by and consistent with the principle of county self-governance established in Article VIII, Section 2, of the Hawaii Constitution.

Your Committee has amended this measure by replacing its language with the language from its companion measure, S.B. No. 2177, S.D. 1.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2016, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Espero).

**SCRep. 2961 (Majority) Judiciary and Government Operations on H.B. No. 2283**

The purpose of this measure is to:

- (1) Require all officers and employees of the State and each county who are conducting public procurement to do so in an ethical manner, as described in the measure; and
- (2) Require that any person, including any actual or prospective bidder, offeror, contractor or business taking part in public procurement to act in good faith to practice purchasing ethics and to display business integrity, as described in the measure.

Testimony in support of the measure was submitted by the Hawaii Procurement Institute. Comments regarding the measure were submitted by the State Procurement Office and the Department of Accounting and General Services. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, although the current State Procurement Administrative Rules include an ethics provision in Hawaii Administrative Rules section 3-131-1.02, this measure is intended to strengthen and emphasize the State's commitment to ethical procurement practices. Your Committee further finds that this measure is intended to enhance public confidence in the integrity of the procurement process.

Your Committee has amended this measure by:

- (1) Making changes to the measure for consistency with the existing ethics provision in Hawaii Administrative Rules section 3-131-1.02, as suggested by the State Procurement Office; and
- (2) Inserting an effective date of September 14, 2047, to ensure further discussion regarding this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2283, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2283, 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, 1 (Slom). Excused, none.

**SCRep. 2962 (Majority) Judiciary and Government Operations on H.B. No. 2676**

The purpose of this measure is to exempt contracts made by the Kaho'olawe Island Reserve Commission (KIRC) for the procurement of food or fuel products from the State Public Procurement Code, chapter 103D, Hawaii Revised Statutes.

Testimony in support of the measure was submitted by the KIRC. Testimony in opposition to the measure was submitted by the State Procurement Office. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that procurement for the Kaho'olawe Island Reserve presents special problems, due to the presence of unexploded ordinance and the fluctuating number of volunteers with different dietary restrictions, and the way that supplies must be brought onto the island. While providing food and electricity to the people is critical, stockpiling is impracticable for several reasons and procurement exemptions for fresh meat and produce are not available. Your Committee received testimony from the KIRC indicating that, given the way that procurement requirements apply to the Kaho'olawe Island Reserve, the results of the exemption will encourage more competition and will accrue cost savings for goods and services.

While your Committee generally agrees with the State Procurement Code's position that exemptions from the State Public Procurement Code should be limited, nonetheless, given the special difficulties that procurement presents for the KIRC, your Committee believes that an exemption for a limited time period is warranted.

Your Committee has amended this measure by:

- (1) Limiting the exemption's application to a three-year period;
- (2) Inserting an effective date of September 14, 2047, to facilitate further discussion; and



- (3) Making technical, nonsubstantive changes for purposes of style and accuracy.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2676, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2676, 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, 1 (Slom). Excused, none.

**SCRep. 2963 (Majority) Ways and Means on H.B. No. 1907**

The purpose of this measure is to temporarily suspend the income tax net operating loss carryback deduction for losses generated in 2009 and 2010.

The measure also temporarily places a cap on itemized deductions claimed on state income tax returns and removes the refunding feature of the capital goods excise tax credit from January 1, 2010, to December 31, 2015.

The Department of Taxation, Central Pacific Bank, the Chamber of Commerce of Hawaii, and Rolf Advertising testified in opposition to the measure. The Tax Foundation of Hawaii and First Wind submitted comments on the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, given the current economic downturn, eliminating the net operating loss carryback deduction would impose new tax burdens on all businesses, including sole proprietorships, by effectively increasing their taxes at a time when they are less able to pay. Your Committee also finds that this would discourage the establishment of new businesses in Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Deleting part I of the measure regarding the net operating loss carryback deduction;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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. 1907, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1907, 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, 1 (Hemmings). Excused, 3 (Galuteria, Hee, Tokuda).

**SCRep. 2964 Ways and Means on H.B. No. 1985**

The purpose of this measure is to facilitate the timely access to state tax information by requiring the Department of Taxation to publish and submit to the Legislature specified annual and biennial reports on income patterns and tax credits.

Your Committee conducted a public hearing on a proposed draft of this measure. The purpose of the proposed draft is to eliminate the tax deduction for certain political campaign contributions, increase the cigarette tax, increase certain insurance producer license fees, and temporarily increase insurance premium tax rates.

Your Committee received written testimony in support of this proposed measure from the American Cancer Society, the American Heart Association, the American Lung Association, the Coalition for a Tobacco-Free Hawaii, the Hawaii Primary Care Association, and the Hawaii COPD Coalition. Testimony in opposition to the proposed measure were submitted by the Department of Commerce and Consumer Affairs, the American Council of Life Insurers, the Government Employees Insurance Company, the Hawaii Insurers Council, the National Association of Insurance and Financial Advisors, Prudential Financial, State Farm Insurance Companies, TK Family Enterprises, USAA, and twelve concerned individuals. The Department of Taxation, the Hawaii Independent Insurance Agents Association, Retail Liquor Dealers Association of Hawaii, and the Tax Foundation of Hawaii commented on the proposed measure. The written testimony may be reviewed on the Legislature's website.

Your Committee finds that increasing insurance fees and taxes would place a greater financial burden on Hawaii's insurance industry. Your Committee also finds that the insurance industry is already required to make substantial contributions to the general fund in the form of taxes, fees, and assessments, as well as the underwriting of various special funds.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft, and amending the proposed draft by:

- (1) Specifying that the repeal of the tax deduction for political contributions shall apply to taxable years beginning after December 31, 2010;
- (2) Making a conforming amendment to repeal section 11-226, Hawaii Revised Statutes, relating to tax deductions for political contributions;
- (3) Deleting provisions regarding increases in insurance premium tax rates;
- (4) Providing that increases in insurance producer license fees shall sunset on July 1, 2013;
- (5) Specifying that amendments made to section 235-7, Hawaii Revised Statutes, shall not be repealed when that section is reenacted on January 1, 2013, pursuant to Act 166, Session Laws of Hawaii 2007;
- (6) Changing the effective date to January 1, 2050, to facilitate further discussion on the measure; and

- (7) Making technical nonsubstantive amendments 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. 1985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1985, 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, 1 (Hee).

**SCRep. 2965 Ways and Means on H.B. No. 2594**

The purpose of this measure is to amend Hawaii's income tax law by conforming it to changes made to the Internal Revenue Code for calendar year 2009.

The measure also conforms judgments in disputed tax cases against the State to federal law, by decreasing the interest rate on moneys held by the litigated claims fund from eight per cent to just over three per cent.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii submitted comments on the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that conforming state tax law to recent amendments to section 48 of the Internal Revenue Code will encourage investment in renewable energy projects.

Your Committee has amended this measure by:

- (1) Qualifying section 408A(d)(3)(A)(iii) of the Internal Revenue Code, with respect to Roth individual retirement accounts, to provide that amounts included in gross income are for a two-year period instead of a four-year period;
- (2) Conforming to section 48(d)(3) of the Internal Revenue Code, as amended, as of February 17, 2009, with respect to not taxing United States Department of Treasury renewable energy grants made under section 1603 of the American Recovery and Reinvestment Tax Act of 2009;
- (3) Changing the effective date to January 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 H.B. No. 2594, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2594, 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, 9. Noes, none. Excused, 3 (Galuteria, Hee, Tokuda).

**SCRep. 2966 (Majority) Ways and Means on H.B. No. 2866**

The purpose of this measure is to ensure the State's ability to capture or "pick-up" the state death tax credit as it existed in the Internal Revenue Code on December 31, 2009.

The Department of Taxation testified in opposition to this measure. The Tax Foundation of Hawaii submitted comments on the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would preserve the state death tax credit as it existed prior to the adoption of the federal Economic Growth and Tax Relief Reconciliation Act of 2001.

Your Committee has amended this measure by:

- (1) Establishing a tax on the transfer of a taxable estate located in Hawaii by a nonresident who is not a citizen of the United States;
- (2) Adding definitions for "nonresident not a citizen" and "noncitizen transfer";
- (3) Amending the definition of "Internal Revenue Code" to include certain federal tax principles; and
- (4) Amending numerous citations to the Internal Revenue Code to clarify the statutory date.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2866, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2866, 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, 1 (Hemmings). Excused, 3 (Galuteria, Hee, Tokuda).

**SCRep. 2967 Ways and Means on H.B. No. 865**

The purpose of this measure is to require the Statewide Transportation Council to comply with county transportation and general plans, without impacting the receipt of federal funds, in the preparation of the statewide transportation plan for the State's projected transportation needs.

Your Committee conducted a public hearing on a proposed draft of this measure to establish a pilot project to transfer the maintenance functions of specific state highways to certain counties.

More specifically, the proposed draft:

- (1) Creates a pilot project to transfer the Department of Transportation's statutory maintenance functions, and applicable funding, for state highways on Maui, Molokai, and Lanai to the county of Maui;
- (2) Transfers officers, employees, records, and appropriations from the Department of Transportation to the county of Maui Department of Public Works;
- (3) Maintains the State's ownership of the state highways included in the pilot project during the project's duration;
- (4) Requires the Department of Transportation to create an equitable funding formula for Maui county;
- (5) Allows Maui county to adopt ordinances to supersede state administrative rules when the ordinances are more comprehensive than administrative rules regarding highway maintenance;
- (6) Creates the State and Maui County Transportation Working Group to plan the implementation of the pilot project; and
- (7) Requires the Department of Transportation and Maui county to report to the Legislature regarding the implementation of the project.

Testimony in support of the proposed draft was submitted by the Department of Transportation. Testimony in opposition was submitted by two concerned individuals. The Department of the Attorney General, Department of Budget and Finance, and the Maui County Department of Public Works submitted comments. Written testimony may be reviewed on the Legislature's website.

Your Committee finds that the Department of Transportation and county departments have duplicative responsibilities for the maintenance of state highways. As a result, funds may be unnecessarily spent on routine highway maintenance. Your Committee believes that this pilot project will reduce duplicative responsibilities by transferring the maintenance for specific state highways to certain counties.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft and amending the proposed draft by:

- (1) Clarifying certain provisions to comply with constitutional requirements with respect to the application of laws to counties;
- (2) Amending language in section 1 of the measure, concerning its purpose, to clarify the accuracy of certain facts;
- (3) Amending the definitions of "highway maintenance functions", "memorandum of agreement", and "state highways";
- (4) Removing the provision that requires the transfer to the counties of federal aid received by the Department of Transportation;
- (5) Requiring applicable counties to adopt preventive maintenance functions that are consistent with Federal Highway Administration preventive maintenance guidelines;
- (6) Allowing county rules to supersede state rules only when the county rules are more stringent than the state rules;
- (7) Requiring certain criteria with respect to the memorandum of agreement between the Department of Transportation and counties with populations that are divided among at least three islands; and
- (8) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 865, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 865, 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, 1 (Hee).

**SCRep. 2968 (Majority Ways and Means on H.B. No. 2690)**

The purpose of this measure is to require the State to provide written notice to the President of the Senate and the Speaker of the House of Representatives of the receipt of any grant or allotment of federal-aid moneys.

Your Committee held a public hearing on a proposed draft of the measure. The proposed draft implements various changes to several areas of state government. Specifically, the proposed draft of the measure:

- (1) Repeals statutory authority for various positions within the Department of the Attorney General;
- (2) Transfers the television and film industry duties of the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority;
- (3) Establishes the Hawaii Film Office within the Hawaii Tourism Authority and requires the Hawaii Film Office to administer the motion picture, digital media, and film production income tax credit;
- (4) Changes the terms of service for Department of Education principals, vice principals, cafeteria managers, and cafeteria workers from twelve months to ten months; and
- (5) Repeals the requirement that the State and the counties contribute to the Hawaii Employer-Union Health Benefits Trust Fund for the life insurance premiums of active and retired public employees, effective July 1, 2010.

Your Committee heard testimony in opposition to the proposed draft from the Attorney General, the Department of Business, Economic Development, and Tourism, the University of Hawaii Professional Assembly, the Hawaii Government Employees Association, and the United Public Workers. The Department of Budget and Finance, the Department of Education, and the Hawaii

Film and Entertainment Board submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the proposed draft of this measure provides wide-ranging initiatives that are needed both to reduce the State's budget and to stimulate the State's economy.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft and amending the proposed draft as follows:

- (1) Repealing the statutory authority only for the positions of first deputy attorney general, special assistant to the attorney general, administrative services manager, and the secretary to the special assistant to the attorney general and the administrative services manager in the Department of the Attorney General;
- (2) Adding an appropriation of \$400,000 to the Hawaii film office special fund to be expended by the Hawaii Tourism Authority;
- (3) Delaying for one year the effective date of the change to the term of service of public school cafeteria managers and workers;
- (4) Increasing the salary reduction of the Governor, Lieutenant Governor, Justices and Judges, Administrative Director of the State, executive department heads and deputies, and Legislators from five per cent to 8.07 per cent for fiscal year 2010-2011;
- (5) Replacing the savings clause provision with a provision to clarify that the measure does not apply to any collective bargaining agreement in existence on the effective date of the measure; and
- (6) Making various technical amendments 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 H.B. No. 2690, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2690, 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 (Chun Oakland). Noes, 1 (Fukunaga). Excused, 1 (Hee).

**SCRep. 2969 (Majority) Ways and Means on H.B. No. 2542**

The purpose of this measure is to balance the state budget by transferring excess balances of certain non-general funds to the general fund.

Specifically, this measure transfers certain minimum amounts from the wireless enhanced 911 fund, the state motor pool revolving fund, the state risk management revolving fund, the medicaid investigations recovery fund, and the University of Hawaii housing assistance revolving fund to the general fund for fiscal year 2009-2010.

Your Committee conducted a public hearing on a proposed draft of this bill. The purpose of the proposed draft was to:

- (1) Transfer excess balances of certain non-general funds to the general fund;
- (2) Require the refundable charge of the fuel tax credit for commercial fishers to be paid from the state highway fund;
- (3) Require moneys in excess of \$7,000,000 in the Hawaii tobacco prevention and control trust fund to lapse to the emergency and budget reserve fund each June 30;
- (4) Reduce the distributions of cigarette and tobacco tax revenues to various non-general funds for the period from July 1, 2011 to July 1, 2013; and
- (5) Repeal the requirement that moneys in the special fund for disability benefits shall be held in trust and only used for disability benefits.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft, and amending the proposed draft by:

- (1) Making technical changes to reflect the correct names of various non-general funds;
- (2) Changing the minimum amounts to be transferred to the general fund as follows:
  - (A) \$1,000,000 from the agricultural loan reserve fund;
  - (B) \$1,000,000 from the Hawaii community development revolving fund;
  - (C) \$2,000,000 from the convention center enterprise special fund;
  - (D) \$300,000 from the foreign trade zones special fund;
  - (E) \$1,000,000 department of education drivers education fund account;
  - (F) \$500,000 from the natural area reserve fund;
  - (G) \$2,500,000 from the university revenue-undertakings fund; and
  - (H) \$400,000 from the University of Hawaii research and training revolving fund;
- (3) Increasing the cap for the Hawaii tobacco prevention and control trust fund to \$14,000,000, the excess of which lapses to the emergency and budget reserve fund;

- (4) Clarifying that the moneys lapsed to the emergency and budget reserve fund may be used to support programs such as kupuna care, adult dental services, respite services, health aging partnership, domestic violence shelters, outreach services, housing placement services, and similar programs or services;
- (5) Adding a new section to remove the requirement that the special fund for disability benefits shall be administered by the Director of Labor and Industrial Relations exclusively for temporary disability insurance purposes;
- (6) Changing the effective date to July 1, 2010; and
- (7) Making technical amendments for purposes of style and consistency.

Testimony in support of this measure was submitted by the Department of Budget and Finance, AARP Hawaii, Chamber of Commerce of Hawaii, Hawaii Youth Services Network, and one concerned individual. The Departments of Agriculture, Business, Economic Development, and Tourism, Hawaii Community Development Authority, University of Hawaii, City and County of Honolulu Police Department, County of Hawaii Police Department, County of Maui Police Department, Alu Like, American Cancer Society, American Heart Association/American Stroke Association, American Lung Association, AT&T, Boys & Girls Club of The Big Island, Castle Medical Center, Child & Family Service, Coalition For A Tobacco-Free Hawaii, Coca-Cola Bottling Company of Hawaii, Conservation Council for Hawaii, CTIA, 9-1-1 Industry Alliance, National Emergency Number Association, Hana School Building Program, Hawaii Primary Care Association, Keaau Youth Business Center, National Association of Insurance and Financial Advisors, Path Clinic, The Phoenix Center, T-Mobile USA, Tobacco Education & Assistance Program, Verizon, Waianae Coast Comprehensive Health Center, Hawaii Community Foundation, and one hundred fifteen concerned individuals submitted testimony in opposition. The Departments of the Attorney General, Accounting and General Services, Commerce and Consumer Affairs, Health, Labor and Industrial Relations, and Land and Natural Resources, the Judiciary, Hawaii Tourism Authority, Nature Conservatory, Tax Foundation of Hawaii, and The Trust for Public Lands commented on the measure. Written testimony may be reviewed on the Legislature's website.

Your Committee finds that, as noted by AARP Hawaii, the needs of the State's most vulnerable populations have grown at the same time that the State has fewer resources to help them. Particularly vulnerable are abused children and the elderly, the disabled and mentally ill, and an increasingly large number of frail and home-bound seniors in need of long-term care. Furthermore, as one concerned individual noted, even many families that do not qualify for medicaid require a safety net to keep from being impoverished by the high cost of long-term care. Thus, it is necessary to deploy all available resources to ensure that immediate critical public health and safety concerns are addressed and sufficient safety net services are maintained.

Your Committee finds that this measure, including the provision transferring excess moneys in the Hawaii tobacco prevention and control trust fund to the emergency and budget reserve fund, would support various programs that serve the State's most vulnerable populations, such as kupuna care, adult dental services, respite services, health aging partnership, domestic violence shelters, outreach services, and housing placement services. This measure would also preserve ongoing efforts in tobacco prevention and control at the present expenditure level, free up excess balances to help protect the State's most vulnerable populations, and avoid the need to increase taxes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2542, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2542, 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, 1 (Hemmings). Excused, 1 (Hee).

#### **SCRep. 2970 Ways and Means on H.B. No. 2200**

The purpose of this measure is to adjust appropriations for fiscal biennium 2009-2011 funding requirements for operations and capital improvements projects of Executive Branch agencies and programs.

Testimony in support of the measure was submitted by nine organizations and two individuals. Testimony in opposition to the measure was submitted by four organizations and fifty-four individuals. Comments on the measure were also submitted by four state departments or agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

### **I. INTRODUCTION**

One year after enduring across the board 20 percent budget reductions to what the Administration deemed discretionary spending, the State faces yet another round of deep budget reductions. The Legislature closed a \$2.1 billion budget gap during the 2009 regular session through a number of measures, ending the session with a balanced financial plan. However, reduced revenue projections have created another sizeable gap of \$1.2 billion through the end of the fiscal biennium that must be addressed.

On September 4, 2009, in a statewide address, the Governor stated that she is planning "a reshaping and right-sizing of government." In her January 25, 2010, state of the state address, the Governor stated that "we must do what it takes to create a future that does not financially burden our children and grandchildren simply because we weren't willing to make those difficult, sometimes gut-wrenching decisions, when destiny called on us to do so." While your Committee appreciates the sentiments, its examination of the budget and other fiscal measures presented reveals that the Governor's actions clearly contradict the statements that were made.

Rather than "reshaping and right-sizing government," a serious exercise that would require considerable planning, thought, and use of the right tools, it is as if the Governor just took a mallet and hammered every state agency down to achieve her desired level of savings. The approach taken was no more complicated than simply requiring that each department reduce general fund expenditures by the same proportion.

Similarly, the Governor's budget and financial plan consists of one-time solutions and quick fixes, many that pass off financial burdens to future years or simply ignore them altogether. These costs include, among others, deferred payments, delayed tax rebates, rising Medicaid costs, restructuring debt, and employee retirement system contributions.

This is the context from which your Committee began its review of the Governor's supplemental budget request. The lack of serious proposals providing structural solutions to the current fiscal crisis and the budgetary actions already imposed by the Governor have made it difficult to thoroughly assess all options. However, your Committee greatly appreciates the efforts of those who have worked with us to address the issues we face in the most positive manner possible.

## II. ECONOMIC OUTLOOK

### National Economic Outlook

According to the Congressional Budget Office, "The deep recession that began two years ago appears to have ended in mid-2009. Economic activity picked up during the second half of last year, with inflation-adjusted GDP and industrial production both showing gains."

Furthermore, the 2010 Economic Report of the President shows that the rate of average monthly job loss dropped from 690,000 in the first quarter to 69,000 jobs in the fourth quarter of 2009. The report also states that the credit and housing markets remain fragile, but that there are signs of hope.

At the end of 2009, the S&P was 65 percent above its low point nine months earlier. During a similar period, monthly small business loans grew from \$830 million to \$1.3 billion. The housing market also seems to be improving, posting fourth quarter sales that were 29 percent higher than first quarter sales in 2009. Your Committee is encouraged that the national economy has stabilized and is slowly advancing beyond the recession.

### The Economic Outlook for Hawaii

Lingering effects of the recent national recession continue to hamper Hawaii's economy in key areas. However, the University of Hawaii Economic Research Organization (UHERO) has reported that "Hawaii's economic recovery has begun". According to UHERO:

- Visitor arrivals edged up slightly over the course of 2009 and visitor spending stabilized by year end;
- Stabilization of job losses in recent months has set the stage for a resumption of modest job growth in 2010; and
- Statewide unemployment is expected to edge down from 6.9 percent this year to 6.4 percent in 2011.

In its March 2010 report, the Council on Revenues (COR) reported that "the shift in expectations for future Hawaii economic performance from negative to positive is palpable" and that indicators "are consistent with gradual economic recovery in the current and coming fiscal years."

These statements and economic indicators have allowed your Committee to address significant challenges posed by the State's current fiscal climate with cautious optimism.

## III. GENERAL FUND REVENUE OUTLOOK

By statute, the Council on Revenues reports its latest tax revenue forecast to the Governor and the Legislature on June 1, September 10, January 10, and March 15 of each year. The revenues come primarily from the general excise tax and the state income tax. At seven of the eight Council meetings held since the March 2008 forecast, the Council on Revenues has reduced its prediction of tax revenues for the coming fiscal years. From March 2009 to March 2010, the Council's general fund tax and non-tax revenue projection for the current biennium dropped by \$626.2 million.

The Governor based the administration's original supplemental budget request, intended to close the \$1.2 billion budget gap, on the December 2009 Council on Revenue's projection. On March 11, 2010, the Council on Revenues revised its forecast downward; the projection was adjusted by -\$34.8 million for the current biennium and -\$334.4 million over the six year planning period (Fiscal Years 2010-15).

Despite the slight downward adjustment in the March 2010 forecast, the Council's forecast calls for 6 percent growth in revenues during fiscal years 2011-2014. The Council Chair's letter to the Governor, officially delivering the forecast and explaining the basis for the projection, referenced several positive indicators and contained optimistic statements including:

- *Hawaii tourism volumes have been in a stable pattern for almost a year and a half;*
- *Inflation-adjusted value of tourism receipts show signs of recovery in just the last six months;*
- *Housing markets and valuations have also stabilized, with some upward movement on Oahu;*
- *Job loss in Hawaii remains persistent, but in smaller monthly increments than was the case during the last two years;*
- *Broadly, these and other indicators are consistent with gradual economic recovery in the current and coming years; and*
- *All of these elements seem likely to underscore forthcoming economic improvement in the islands.*

Despite the Council's recent track record of lagging the decline in revenues, your Committee has cautiously accepted the projection and notes the significant risk that exists for revenue growth assumptions for the next two bienniums.

## IV. BUDGET OVERVIEW

Labor costs comprise the greatest expense contained in the State's budget. The Governor originally planned to impose a statewide three day per month furlough. The plan would have saved 13.85 percent of payroll costs. However, the courts ruled that the Governor could not unilaterally impose a furlough and could employ furloughs only through the collective bargaining process. Though not able



to achieve the desired savings through the collective bargaining process, the original three day per month furlough savings estimates were used as the target reduction amounts in the development of the fiscal year 2011 supplemental budget request.

Savings from furloughs are now projected at close to \$200 million. Additionally, a statewide hiring freeze has left numerous positions vacant. The Governor reduced many of these budgeted positions and salaries, amounting to savings of \$11.7 million. The last piece of the Governor's plan to save on labor costs was the reduction in force (RIF) implemented late last year. The reduction of the nearly 1,000 positions and salaries of people initially subjected to the RIF results in \$43 million in savings.

In addition to vacancy reductions, RIF, and furloughs, departments were expected to make other adjustments as necessary to meet their target reduction amounts. Departments have essentially already been operating within these reduced budget ceilings due to the Governor's budget restrictions for fiscal year 2010.

As adjusted by the recent March 18 Governor's message, the Governor's supplemental budget request adds \$390 thousand for fiscal year 2010 and reduces 1,292 permanent positions and \$284 million for fiscal year 2011 in general funds.

In its draft of the executive budget, the House of Representatives reduced the Governor's proposal by an additional \$60.8 million. The House draft restored approximately 1,000 vacant and RIF related positions reduced by the Governor. However, the majority of these positions were restored without adequate funding.

Your Committee commends the House of Representatives' attempt to reinstate school instructional days. However, this reinstatement was funded through dramatic reductions to other programs: the House draft reduces a total of \$80 million from the department of education, \$18.5 million from the department of human services, and \$30.9 million from the department of health, purportedly for purchase of service contracts. Your Committee finds it difficult to ascertain the impacts of these reductions and therefore did not include them in its draft of the budget.

The Senate proposal accepts the Governor's requested budget adjustments in principal, since they reflect savings state agencies are already forced to realize through the furloughs, statewide hiring freeze, RIF, and other budget restrictions for fiscal year 2010 imposed by the Governor.

With regard to the RIF, it is apparent that its execution involved minimal deliberation. Departments have reported being given numbers of positions to target, without regard to the amount of savings, or whether the action was even necessary. However, at this point, the RIF has been implemented; people have already lost their jobs, and many others have been affected by the bumping process.

To properly account for projected expenditures, your Committee reflected much of the savings resulting from the Governor's sweeping actions. However, your Committee identified areas of importance that to some extent should be protected from the Governor's budget reductions. This includes the restoration of positions for the department of agriculture that are at the forefront of protecting our islands from invasive species and positions for the department of public safety that help secure the Hawaii State Hospital, a facility that has experienced recent escapes.

Your Committee prioritized education by putting forth a viable and responsible plan to reinstate instructional days through a combination of reallocation of \$33.5 million of existing resources and allocation of \$32.5 million in new funding. Furthermore, an additional 49.5 positions and \$14 million in general funds were reduced from the Governor's budget request for fiscal year 2011.

Your Committee developed this budget without reliance on adjustments to the general excise tax to enhance general fund revenue. The increase of a broad-based tax such as the general excise tax could jeopardize the course of Hawaii's economic recovery. Your Committee has found alternatives to increase revenue. These include the following measures:

FY11 Impact	Bill and Title	Description
+\$21.3 million	HB1907, HD1 Relating to Taxation	Places a cap on the amount of itemized deductions that may be claimed and changes the capital goods tax credit from refundable to non-refundable.
+\$14.8 million	HB1985, SD1 Relating to Taxation	Increases the cigarette tax by 1 cent and imposes fees under section 431:7-101, Hawaii Revised Statutes.
+\$22 million	HB2421, SD2 Relating to Government	Increases the environmental response tax from 5 cents to \$1.55 and renames the tax the environmental response, energy, and food security tax.
+\$55.8 million	HB2542, SD1 Relating to Non-General Funds	Transfers excess balances from various non-general funds to the general fund; caps the distribution of cigarette tax revenues for various purposes to the FY10 distribution level for three years.
+\$15 million	HB2595, SD2 Relating to General Excise Tax	Establishes a trust liability for revenues collected by a business as a tax recovery whether or not the amount is separately stated.
+\$17 million	HB2596 Relating to Tax Credits	Creates a statutory ordering of income tax credits of refundable credits first and nonrefundable credits second.
+\$78.7 million	HB2598, SD1 Relating to Transient Accommodations Tax	Caps the distribution of transient accommodations tax revenues to the counties at \$50 million.

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+\$21.3 million	HB2600 Relating to Tax Administration	Amends the due date for miscellaneous tax types from the last day of the month to the twentieth day of the month.
\$93.3 million	HB2962, SD2 Relating to Taxation	Implements the streamlined sales and use tax agreement; defers the taking of high tech tax credits.
+\$13.1 million	HB2984, SD2 Relating to Tax Credits	Extends the research tax credit; repeals Act 221 high technology infrastructure tax credits.

**V. DEPARTMENT HIGHLIGHTS**

Education

School furlough days are a direct result of negotiations between the Governor, board of education, superintendent, and the Hawaii State Teachers Association and were intended to help meet the budget restrictions imposed by the Governor. Your Committee's top priority for education is eliminating school furlough days and returning Hawaii's students to a level of instruction previously provided. Despite having by law (section 89-6, Hawaii Revised Statutes) three of the six employer votes required to enter into the agreement to impose furlough days, the Governor has stated repeatedly that the administration, "remains committed to getting the kids back in the classroom". At odds with this claim is the fact that the Governor's budget request before the Legislature for the department of education continues to be built on savings generated by maintaining school furlough days.

To resolve the furlough issue and get our kids back in the classroom, your Committee has added \$33.5 million in general funds and \$32.5 million in Hurricane Relief funds to restore all school instructional days for the upcoming school year. This restoration is obtained by funding two instructional days for each non-instructional day converted to an instructional day.

Your Committee was able to reallocate resources for instructional days by accepting proposals made by the department of education (DOE) and the board of education (BOE) that identify funding reductions for categorical programs. While many of these programs have merit, they use funds that could support the department's core function: educating students. Your Committee understands that people value the programs identified by the DOE and BOE. Although the BOE will ultimately decide how to allocate the department's resources, programs identified for reduction could still receive funding through the weighted student formula.

In addition to the proposals made by the department and board of education, your Committee has eliminated the general fund subsidy to the Afterschool (A+) Program, representing a \$2 million savings. However, afterschool care for students currently receiving free or reduced lunch status will continue to be subsidized by TANF funds. \$2 million was used to restore part of a reduction imposed by the Governor to prevent cuts to the weighted student formula.

Act 51, Session Laws of Hawaii 2004, converted principals to 12 month employees. However, this law also provides that these employees would be subject to performance based contracts, which to date has not been adhered to. The cost of converting the principals from 10 month employees to 12 month employees was approximately 24 percent of their salary costs. Your Committee reduced projected savings of \$5.7 million in general funds and \$5.4 million in non-general funds that would result from converting 12 month principals and cafeteria workers back to 10 month employees. A similar amount was added, representing a onetime expenditure needed to pay out their accumulated vacation.

Charter Schools

Your Committee seeks to address charter school issues that repeatedly surface. There has been a lackadaisical attitude toward legislative requests to provide current and complete financial and operational information. Despite hurdles in obtaining relevant information, your Committee is focused on establishing a platform upon which per pupil funding comparisons among all students will be transparent and equitable.

The Governor's proposed budget does not attempt to provide a similar per pupil amount for charter schools based on the department of education's appropriation and the projected enrollment. Your Committee recognizes that additional funds are needed to make the per pupil funding amount provided to charter school students comparable to the per pupil funding amount provided to department of education students. This addition is largely due to a substantial projected enrollment increase provided by charter schools. Actual enrollment for charter schools for the 2009-2010 school year has been reported as 8,098 students. Projected enrollment for the 2010-2011 school year is 9,668 students, representing a projected 19.4 percent increase in charter schools' enrollment.

To this end, your Committee has added \$4.7 million in general funds and \$1.3 million in Hurricane Relief funds for the new per pupil funding calculation, using updated projected enrollment and the Senate's proposed appropriation amounts for the DOE. However, over-projection of student enrollment has been a problem with charter schools and receipt of these funds is contingent upon actual enrollment increases.

Higher Education

Your Committee acknowledges the University of Hawaii as the State's premier institution for higher learning; a nationally recognized research institution; and a major contributor to our local economy.

The University implemented the Governor's general funds restrictions of approximately \$54.7 million in fiscal year 2010. Also, your Committee understands that, using fiscal year 2009 as the base, the University of Hawaii anticipates generating an additional \$51 million in tuition and fee revenue every year in fiscal years 2011-2017. Your Committee recognizes the University's ability to use these funds to offset some costs borne by the general fund. As such, your Committee reduced \$7.5 million in general funds for fiscal year 2011.

Your Committee recognizes the importance of preserving the historic resources of Mauna Kea. Mauna Kea has the potential to generate over \$1.2 billion in investment to the State in coming years. Your Committee added \$1.98 million in revolving funds and \$200,000 in general funds to support the Mauna Kea program.

Your Committee is concerned with the university faculty payroll increase for fiscal years 2013-2015, agreed upon through the collective bargaining process with the University of Hawaii Professional Assembly (UHPA). The agreement increases total state payroll costs by \$45.6 million over fiscal years 2013-2015. It should be noted that your Committee believes the University is fully responsible for funding these pay increases without using general funds, especially in this time of great economic stress.

#### Human Services

The global economic downturn has led many of Hawaii's people to seek government assistance as we weather these difficult times. Your Committee finds it important to support the Department of Human Services (DHS) in its effort to provide for the growing numbers who need government services. Indeed, a convergence of job loss, rising medical costs, and limited housing options has resulted in a devastating perfect storm, leaving many to seek assistance.

Your Committee recognizes the challenge of providing social services to the State's most vulnerable under the State's fiscal constraints. As such, H.B. No. 2542, H.D. 1, S.D. 1, transfers excess funds in the Hawaii tobacco prevention and control trust fund to the emergency and budget reserve fund. This would support various programs that serve those in need, such as kupuna care, adult dental services, respite services, health aging partnership, domestic violence shelters, outreach services, and housing placement services.

Your Committee accepts the Governor's proposal to save \$13.1 million in state general funds by utilizing TANF funds to pay for the Afterschool (A+) Program and cash assistance for two-parent households receiving welfare. These solutions are part of a larger plan to increase our expenditure of TANF funds in order to earn \$49 million extra TANF funds under the American Reinvestment and Recovery Act (ARRA) / Deficit Reduction Act (DRA) Emergency Contingency Fund.

Providing necessary health care to Hawaii's needy residents is an important service delivered by DHS. However, over the course of the Governor's tenure, Medicaid-subsidized health care has expanded far beyond what can be deemed medically necessary.

Hawaii residents eligible for Medicaid can look forward to receiving what the director of DHS has termed the Cadillac of health care plans, which contain benefits and services that far exceed those found in private plans. With no limits on utilization, no deductible, no co-pay, and no premiums, this program has the potential to drive the ability of the State to manage its finances into the ground.

Unfettered Medicaid expansion, coupled with the economic downturn, has created a grim financial situation. DHS has looked into restricting eligibility as another means to control its shortfall. However, as a recipient of ARRA funding, the State is required to leave the current eligibility criteria in place in order to provide for those who have been affected by the recession.

Medical inflation and increasing Medicaid enrollment created a budget shortfall that needs to be addressed. When posed with the task of finding solutions to the Medicaid shortfall, DHS chose to delay Medicaid payments with the intent of paying off these costs with future appropriations. In effect, DHS undertook a plan that the director described as, "robbing Peter to pay Paul." As a result, a shortfall of \$64 million from fiscal year 2009 was carried over into fiscal year 2010, and it is forecasted that \$44 million will be carried over into fiscal year 2011. By fiscal year 2015, the annual Medicaid shortfall is projected to be in excess of \$200 million, an amount that the State cannot afford to ignore.

#### Health

Your Committee is dedicated to ensuring that essential health care, safety, and environmental health remain a legislative priority in the face of the State's economic crisis.

For the Department of Health (DOH), the Governor eliminated \$27 million and 339.88 positions, representing 24 percent of the State's total budget cuts for fiscal year 2011. The Governor's severe restrictions, implemented by the DOH in fiscal year 2010, have significantly diminished public health and environmental protections for the people of Hawaii. Your Committee was unable to control the ability of the Governor to implement reductions in programs such as: mental health services; dental hygiene services for children; environmental health for vector control and disease management; and clean water and wastewater services.

Your Committee supports preventative health services for child abuse and for families that have ongoing care responsibilities for developmentally or mentally disabled family members. To meet this need, during the 2009 regular session, the Legislature restored \$4.1 million to support programs such as Healthy Start, Respite Care, and Partnership in Community Living (PICL), which the Governor had proposed to reduce. Regrettably, the Governor has refused to use these funds for essential services. Though your Committee disagrees with the Governor's refusal to restore these essential services, your Committee has made the hard choice of reducing the \$4.1 million for Healthy Start, Respite Care, and PICL that would go unused so that the funds may be made available for other programs.

Given the State's current economic crisis, the Legislature has made the decision to distribute larger portions of the tobacco settlement special funds to the State's general funds and to the University of Hawaii, School of Medicine to support shortfalls in operating expenses for fiscal years 2009-2011. Your Committee supports re-evaluating Tobacco Settlement special fund distributions for fiscal year 2012 and beyond.

#### Hawaii Health Systems Corporation

Your Committee affirms its commitment to provide the necessary resources to help the Hawaii Health Systems Corporation (HHSC) maintain safety net acute and long term care health services to Hawaii's most vulnerable citizens and visitors; especially those of the neighbor islands. HHSC continues to face tremendous challenges in the midst of the State's financial crisis with, among other things, rising uncompensated care for the aged and uninsured, rising costs to provide care, and federal and private reimbursement rates failing to keep pace with rising medical costs.

To assist HHSC regional systems in meeting their immediate payment obligations, your Committee restored the majority of special funds for fiscal year 2011 that the Governor reduced. However, your Committee remains concerned with the management of the HHSC regional systems and supports ongoing accountability and transparency for both fiscal and operational matters of the HHSC regional systems' hospitals.

#### Public Safety

Your Committee remains supportive of Public Safety's responsibility for custody of Hawaii's inmates and protection of the State's general population.

However, your Committee is uncomfortable with the Governor's quick closure of Kulani Correctional Facility and subsequent transfer of the facility to the Department of Defense's Youth Challenge Academy; the Governor eliminated the Kulani Correctional Facility without any community consultation and despite outspoken legislative concern. The Governor's abrupt action reportedly saves approximately \$5.8 million dollars; however, these savings come at the cost of eradicating one of the top Sex Offender Treatment Programs (SOTP) in the nation, ending a successful re-entry program, and eliminating a significant economic engine for Big Island vendors.

In addition, your Committee has difficulty understanding the rationale of subjecting all of the department's security officers to RIF, especially with the recent escapes from the Hawaii State Hospital. The loss of these officers has severely compromised the safety of the surrounding area. Accordingly, your Committee has restored all security officers assigned to Hawaii State Hospital.

Your Committee finds that overtime and compensatory time provided by the department remains exorbitant: there is \$8.8 million in overtime and \$2.4 million in compensatory time on the books. The millions paid out for these costs can artificially inflate the pensions of workers and result in serious financial liabilities for the State. Your Committee expects the department to better address this issue.

To address these substantial problems, your Committee has considered all possible opportunities that provide cost-savings to the State. As such, your Committee recommends higher utilization of the out-of-state contracts that will allow for the closure of one module at Halawa Correctional Facility.

Your Committee notes that the total savings for the department of eliminating one module of Halawa Correctional Facility is estimated to be \$4.0 million. When the corresponding Budget and Finance portion of payroll costs for ERS and health insurance is taken into consideration, the reduction of one module at Halawa Correctional Facility can net a total savings of \$5.8 million.

Your Committee notes other significant areas of concern with the department. To begin with, the department does not account for future out-of-state contract costs related to Consumer Price Index (CPI) increases. Per the current contract, the basic daily fee increases each July 1st by 2.5 percent or by the previous year's CPI, not to exceed 3 percent. These costs are not accounted for in the Governor's financial plan.

#### Agriculture

Agriculture remains an integral component of Hawaii's future. Your Committee is dedicated to decreasing Hawaii's dependence on imported food products, increasing our export presence, and protecting our State from invasive species.

The Governor's approach of dramatic reductions to the department's budget was penny-wise and pound-foolish. The ramifications of the Governor's heavy-handed actions could be severe: reducing general funds for the department by almost half could facilitate the establishment of new invasive species and inevitably jeopardizes Hawaii's agricultural industry.

The Governor's proposal to change the means of financing for 22 Plant Quarantine Inspectors provides a temporary remedy. These inspectors are necessary to keep Neighbor Island ports open; however, the Governor's budget fails to acknowledge that the greatest need for Plant Quarantine Inspectors is at the epicenter of the distribution network, Honolulu. As such, your Committee has restored 19 positions to Plant Pest and Disease Control.

Your Committee has also restored positions imperative to the following programs: Animal Disease Control, Quality and Price Assurance, Aquaculture Development, and Pesticides. The restoration of these positions will ensure that Hawaii's agribusiness development, agricultural productivity, and frontline defense from invasive species and harmful diseases are effectively supported.

#### Business, Economic Development, and Tourism

Your Committee recognizes the importance of Hawaii's businesses as a driving force behind the State's economic recovery, and that proper support must be in place to assist them.

As a top filming destination, Hawaii has a reputation for being an attractive, film-friendly location that draws industry leaders to our shores. These film projects not only promote the beauty of the State, but also generate between \$150-200 million annually, which will aid in Hawaii's economic recovery. Your Committee understands the importance of the Film Industry Branch and restored positions in HB2690, SD1, to move the function and funding to the Hawaii Tourism Authority (HTA). With HTA's connections and expertise in marketing, the Film Industry Branch will continue to flourish and serve as an economic driver and marketing tool for the State.

Supporting Hawaii's businesses with funds that are in limited supply has been difficult. Your Committee understands the need to find creative solutions and has identified positions that can utilize new sources of funding. In particular, your Committee has saved general funds by utilizing the energy security special fund to support the Energy Program and Hawaii's Clean Energy Initiative.

#### Budget and Finance

Your Committee recognizes the importance of the Department of Budget and Finance as a provider of several vital services for the State. However, it notes the combination of the Governor's hiring freeze and budget restrictions have left the department unable to perform its duties efficiently within the Hawaii Employer-Union Health Benefits Trust Fund Division. As a result of the Governor's labor reductions, the division suffered the loss of its Administrator, Assistant Administrator, and three Board of Trustee members.

In addition, furloughs have caused the division to pay out hundreds of hours in overtime a month just to stay afloat. Most other divisions are not authorized to use overtime and remain severely backlogged and unable to function efficiently. Your Committee believes that the excessive use of overtime is unacceptable and has thus added permanent and temporary positions to EUTF to assist with their current and future shortfall.

Your Committee also notes the significant amount of deferred payments by the Governor in the areas of debt service and retirement benefit payments. In addition, your Committee recognizes and addresses the Governor's exclusion of health benefit premium payment increases in fiscal year 2011 as a result of higher than expected rises in the number of retirees and potential premium increases.

#### Accounting and General Services

Programs within the Department of Accounting and General Services were among those severely affected by the RIF imposed by the Governor. Information and Computer Services Division (ICSD) and Custodial Janitors are two programs that experienced substantial reductions. Though assured the impacts do not significantly affect core services, your Committee has raised concerns over the department's ability to function at an acceptable level.

Additionally, your Committee is concerned that a potential \$2 million or more shortfall exists for electricity costs. This is a matter of continual concern since the department has historically been unable to budget appropriate amounts for this expenditure.

#### Attorney General

Your Committee understands the importance of legal counsel for the State of Hawaii. Calculative efforts have been made to reduce the department's budget in areas of limited impact. Your Committee reduced positions amounting to \$528,428 in the Legal Services division of the department.

Your Committee reduced the state subsidy to the Career Criminal and Victim Witness Protection county programs by \$634,000. Your Committee recognizes the value of these programs; however, the State can no longer subsidize county programs to the extent it once could.

#### Defense

Your Committee recognizes the importance of maximizing the use of federal funds during these times of financial strain. Your Committee has restored federally funded positions reduced by the Governor and approved an increase of \$9.6 million in federal funds.

#### Human Resources Development

The Department of Human Resources Development is responsible for unemployment payments for most state agencies. Your Committee provided \$6 million requested by the Governor for unemployment insurance benefits related to the RIF of state employees.

#### Labor and Industrial Relations

Your Committee is supportive of the Department of Labor and Industrial Relations' continued involvement in improving job opportunities, providing work placement, and protecting the employment rights of state workers. Your Committee focused intently on creating savings in areas that could absorb reductions while restoring areas that were in need.

Your Committee restored positions and \$4.2 million in federal funds for the Workforce Development Program. This program provides a valuable resource to both potential employees and prospective employers. Federal funds for the positions were recently secured in December 2009.

In addition, your Committee has restored positions in the Hawaii Civil Rights Commission Program to further assist the program in preventing workplace discrimination.

#### Taxation

Your Committee recognizes the need to prioritize revenue generating positions to aid in reducing the State's budget deficit. The logic behind the Governor's decision to reduce these positions is unclear; therefore, your Committee restored seven positions that have the potential to collect \$3 million in the first year.

#### Transportation

Managing the State's public airports, commercial harbors, and highways is of great importance. Your Committee is concerned with the Aloha Tower Development Corporation's (ATDC) ability to effectively lead the Harbors Modernization Plan. Accordingly, your Committee denied the Governor's appropriation to ATDC and welcomes the participation of Harbors Division in managing the Harbors Modernization Plan.

### **VI. CAPITAL IMPROVEMENTS PROGRAM**

Your Committee finds that, as the State continues to navigate through these challenging economic times, your Committee remains committed to investing in our state facilities and infrastructure, with the clear objective of creating jobs throughout the State. Your Committee maintains that such capital investments will result in long-term economic efficiency and competitiveness, while contributing to the improvement in our roads, schools, and other state facilities and programs that are relied upon by our residents.

Contrarily, the Administration's capital improvement program supplemental budget, as amended pursuant to Governor's Messages, has provided for a total of \$882,407,000 for projects funded by general obligation (G.O.) bonds and general obligation reimbursable (G.O.R.) bonds and \$3,831,926,000 for all projects funded by all means of financing. The Administration's supplemental budget request, including fiscal year 2010 adjustments of \$30,400,000 and additional proposed lapses of \$39,754,000, reflects a negative G.O. bond supplemental budget request of \$23,856,000. This proposal suggests a retreat from the Administration's more aggressive approach of one year ago, including its five-point plan, CIP Strike Force, consisting of \$1.8 billion in capital improvement projects. Although the Administration's current approach demonstrates a curbing of spending, given decreased revenues, it also frustrates



earlier efforts by both the federal and state governments to create jobs, increase the disposable income of consumers, and, in turn, stimulate the economy.

With the previously stated objectives in mind, your Committee has provided for a total of \$1,213,021,000 for projects funded by G.O. and G.O.R. bonds for the biennium and \$4,315,747,000 for projects funded by all means of financing. An additional \$12,500,000 was also converted from general funds to G.O. bond funds for a prior appropriated University of Hawaii project. While conscious of potential debt service constraints during a time when revenues are down, your Committee believes that it is crucial to continue to undertake projects to help stimulate the economy. Additionally, the State must continue to take advantage of available incentives and programs, as well as the favorable market conditions the State has recently experienced in selling bonds to secure financing for these necessary projects. Such programs include the Build America Bond program, established under the American Recovery and Reinvestment Act of 2009. The program is intended to assist state and local governments in financing capital projects at lower borrowing costs, through the provision of a direct federal subsidy for interest costs. The program is also intended to stimulate the economy and create jobs, which is in line with your Committee's main objectives. Your Committee notes that this program is currently available only through the end of calendar year 2010 and supports continued consideration of the program's utilization before its expiration.

Your Committee has carefully examined all previously appropriated general obligation bond funded projects to determine the propriety of lapsing projects to provide funding for current, more critical or necessary projects, given the current economic situation and the changing nature of priorities. Many projects that the Administration, departments, agencies, and even non-profit organizations have deemed unnecessary or no longer a priority were considered for lapsing. Although your Committee believes that each previously appropriated project possessed merit on its own, shifting priorities make it necessary to lapse and redirect funds to other worthy projects at this time.

As a result, your Committee has lapsed expiring, lower priority, or unnecessary previously appropriated projects and has redirected the funds to higher priority needs, as identified by the Administration, the departments, and your Committee, to ensure projects' undertaking, funds utilization, and facilities needs satisfaction. Lapses include the following types of projects:

- (1) Projects identified by the Administration or departments that have been completed with excess unrequired balances;
- (2) Projects where allotments have been denied and funds will likely not be released prior to the upcoming June 30, 2010, lapse date, including projects identified by the Department of Education that it will not pursue, mainly due to the fact that the projects fall below the department's current allotment amounts; and
- (3) Projects that no longer represent current Administration, department, or legislative priorities.

Your Committee has crafted a supplemental capital improvements program budget that focuses on:

- (1) Investment in new construction;
- (2) Reduction of repair and maintenance backlogs for state facilities throughout several departments;
- (3) Addressing critical health, safety, and other code requirements of various departments;
- (4) Creating or saving jobs for our residents; and
- (5) Providing the framework for growth and expansion of essential services, programs, and facilities.

Also, given the massive destruction and suffering resulting from recent earthquakes in Haiti and Chile, as well as the potentially damaging results from the ensuing tsunami warning experienced in Hawaii, your Committee believes that this supplemental budget also reflects an appreciation for the need to invest in preventative measures to improve emergency efforts and thwart possible damage and destruction in the State.

As previously mentioned, many prior appropriated projects that are scheduled to lapse on June 30, 2010, which the Department of Education has indicated it will not be pursuing, are lapsed early under this budget. However, your Committee remains steadfastly committed to improving and maintaining our public school facilities, and, as a result, has directed those lapsed funds to be appropriated back to the Department of Education to invest in necessary repair and maintenance of infrastructure in our schools. Your Committee believes that crucial and critical repairs must be made to ensure that safe and adequate facilities are provided to our students. The appropriation of \$75,000,000 for repair and maintenance projects for fiscal year 2011, as well as a total of \$196,000,000 for all fiscal year 2011 projects for the department, represents an important investment in our schools and our students. Your Committee believes that the continued investment in reducing the repair and maintenance backlog will allow the department to reach a point of maintenance within approximately the next four years. This accomplishment will enable the department to then look forward to constructing necessary new school facilities and concentrate on other capital priorities as well.

Similarly, with regard to the University of Hawaii System, your Committee has examined the current capital renewal and deferred maintenance (CRDM) backlog of projects. Your Committee maintains its commitment to reducing, and eventually eliminating, the backlog to allow the University to move forward with other new construction and improvements to campus facilities. Again, crucial repairs must be addressed to ensure safety for University students, faculty, and visitors and to ensure that the University system remains a flourishing academic institution within our State. As a result, your Committee has appropriated the following:

- (1) \$90,000,000 for capital renewal and deferred maintenance projects throughout the University of Hawaii System, which includes \$5,000,000 for minor repairs for the community colleges;
- (2) \$25,000,000 for the University's Renovate to Innovate initiative, which not only addresses some of the current CRDM backlog, but focuses on research facilities to ensure increased federal funds from grants and other related funding; and
- (3) \$18,625,000 million for health, safety, and code requirements to ensure safe and compliant facilities for students, faculty and staff, and visitors.



Additionally, your Committee has provided critical funding for the following:

- (1) \$3,000,000 in fiscal year 2011 to ensure completion of roof repairs and \$1,950,000 in fiscal year 2011 for turf replacement at Aloha Stadium in order to help ensure safe conditions for spectators, players/participants, and workers and to allow the facility to maintain and attract sports and other entertainment events, including the NFL Pro Bowl;
- (2) \$5,000,000 in fiscal year 2011 for repair and maintenance needs for Hawaii Health Systems Corporation facilities, as well as funding for critical hospital-specific projects;
- (3) \$5,400,000 in fiscal year 2011 for repairs, upgrades, and expansion of critical communications backbone systems to help ensure uninterrupted communication lines, especially for emergency first responders;
- (4) \$5,027,000 in fiscal year 2011 for repair and maintenance projects for Department of Health facilities throughout the State;
- (5) \$500,000 in fiscal year 2011 for health, safety, and code requirements for Department of Agriculture facilities throughout the State;
- (6) Additional funds for various new projects of the Department of Transportation to ensure the provision of safe and adequate roads and airport and harbor facilities; and
- (7) Additional funds for current projects within the Department of Transportation, Department of Defense, and Department of Health to ensure that matching federal funds contributions may be maximized and not lost or forfeited.

Your Committee believes that this supplemental capital improvements program budget addresses the highest priorities of the State, while also reflecting an important balance between increased investment and fiscal responsibility. Your Committee understands that further discussion on the matter is necessary and will endeavor to work with the appropriate entities and interested parties to further develop a final budget that best serves the present and continuing needs and priorities of the State.

#### VII. Conclusion

All indications are that the long awaited economic recovery is underway. This is fortunate, since the Governor's budget relies heavily on a number of temporary measures to address the current fiscal crisis. Though your Committee reflects the savings that result from the Governor's actions, it prioritizes those functions of government most needed by Hawaii's residents.

While your Committee approached important budgetary issues from perspectives that differ significantly from that of the Governor and the House of Representatives, we are optimistic that a collaborative effort will move the State through this difficult time. Your Committee on Ways and Means looks forward to working with all parties to find reasonable solutions to the problems that confront us.

In total, this measure appropriates \$5,144,568,085 in general funds and \$10,804,340,330 in all means of financing for fiscal year 2010 and \$4,969,329,090 in general funds and \$10,161,975,219 in all means of financing for fiscal year 2011. These figures represent adjustments to Act 162, Session Laws of Hawaii 2009, appropriations by adding \$390,000 in general funds and \$390,000 in all means of financing for fiscal year 2010 and reducing \$298,319,601 in general funds and \$305,354,754 in all means of financing for fiscal year 2011.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2200, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2200, 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; Ayes with Reservations (Chun Oakland, Fukunaga, Hooser). Noes, none. Excused, 2 (Galuteria, Hee).

#### SCRep. 2971 Commerce and Consumer Protection on H.B. No. 1439

The purpose of this measure is to make various clarifying and technical amendments in the Life Settlements Model Act, chapter 431E, Hawaii Revised Statutes, which establishes consumer protections in life settlement transactions.

Prior to a hearing on this measure, your Committee circulated a proposed draft that deleted the contents of the measure as received and inserted therefor a provision that delays the repeal of chapter 431E, Hawaii Revised Statutes, until June 16, 2015.

Your Committee received testimony in support of the proposed draft of the measure from the Department of Commerce and Consumer Affairs, State Farm Insurance Companies, the American Council of Life Insurers, and the National Association of Insurance and Financial Advisors. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure extends Act 177, Session Laws of Hawaii 2008, which bans stranger originated life insurance (STOLI). STOLIs are essentially resale transactions and do not present the same issues for regulation as a typical complex insurance transaction. Without a clearer understanding of the issues involved, it is too early to determine the merits of Act 177 and therefore prudent to wait for more experience and information before allowing the law to expire.

Your Committee agrees with the Insurance Commissioner's suggestion that a temporary working group be convened by the Department of Commerce and Consumer Affairs to examine issues relating to life settlements, including the definition of "insurable interest", the transferability of life insurance policies, and any other related issues.

Your Committee has amended this measure by:

- (1) Replacing the contents of H.B. No. 1439, H.D. 1 with a provision to extend Act 177, Session Laws of Hawaii 2008, until June 16, 2015, to allow time for additional examination and discussion of stranger originated life insurance transactions; and
- (2) Providing for the establishment of a temporary working group convened by the Insurance Division of the Department of Commerce and Consumer Affairs to study issues relating to life settlements.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1439, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1439, 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 (Hemmings, Ihara, Sakamoto).

**SCRep. 2972 Economic Development and Technology on H.B. No. 2058**

The purpose of this measure is to authorize the Natural Energy Laboratory of Hawaii Authority (NELHA) to enter into concessions for cell towers.

Testimony in support of this measure was submitted by the Natural Energy Laboratory of Hawaii Authority and AT&T Services, Inc.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that for the past five years, NELHA has achieved self-sufficiency in terms of operating needs through the implementation of creative strategies and the realignment of traditional revenue and cost-offset sources. Verizon has operated a cell tower at NELHA for many years, providing a clear, wide range of access for customers, and much needed income for NELHA without additional labor requirements. Clarifying that NELHA may extend this opportunity to other cell phone operators will continue to provide a "win-win" for both the public and NELHA.

Your Committee has amended this measure by making a technical amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2058, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2058, 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 (Hee).

**SCRep. 2973 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture, and Hawaiian Affairs on H.B. No. 2450**

The purpose of this measure is to clarify that the exemption from subdivision requirements for leases and easements for renewable energy facilities applies to renewable energy facilities on agricultural land approved by the Land Use Commission and county planning commissions, and renewable energy facilities on conservation land permitted by the Board of Land and Natural Resources.

Prior to the hearing, a proposed draft of H.B. 2450, H.D. 1, S.D. 1, was circulated.

Testimony in support of the proposed draft was submitted by two state agencies and one organization. One state agency submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Subdivision exemptions can assist farmers by reducing the cost of agricultural lands. Hawaii County presently allows leasehold agricultural subdivisions with reduced infrastructure standards, provided that no houses or other habitable structures are constructed on the land. The subdivision process can prevent proposed renewable energy projects from moving forward due to complications with financing and investors. Granting subdivision exemptions can expedite the permitting process and remove some of these obstacles for renewable energy projects. However, your Committees find that the proposed draft is too broad and may open the door for too many exemptions to the subdivision requirements. Your Committees are concerned that too many subdivision exemptions would create confusion in future land transfers and may create unenforceable, illegal lots. Thus, your Committees have reverted to the measure as received by your Committees.

Your Committees have amended the measure received by:

- (1) Narrowing the subdivision exemption to include agricultural-energy facilities permitted under Chapter 205, Hawaii Revised Statutes, on all or part of a plantation community subdivision;
- (2) Removing the subdivision exemption for lands within a Conservation State Land Use District;
- (3) Requiring that any project receiving a subdivision exemption for a solar, wind, or agricultural-energy facility apply for subdivision with the agency granting their original exemption within two years from the date of receiving that original exemption; and
- (4) Amending the purpose section to conform with these changes.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental 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. 2450, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2450, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 6 (English, Fukunaga, Hemmings, Ihara, Nishihara, Tokuda).

**SCRep. 2974 Judiciary and Government Operations on H.B. No. 2129**

The purpose of this measure is to require a person sentenced for an offense in which the damage is caused by graffiti, in addition to any other penalty, to:

- (1) Remove the graffiti from the damaged property; and
- (2) For a period of time not to exceed the maximum period for which a convicted person may be sentenced for the offense:
  - (A) Perform community service removing any graffiti applied to other property within one hundred yards of the site of the offense for which the person was sentenced; and
  - (B) Reimburse the costs incurred by any property owner to remove graffiti applied to other property within one hundred yards of the site of the offense for which the person was sentenced.

Testimony in support of the measure, with suggested amendments, was submitted by Hawaiian Electric Company, Inc. Testimony in opposition to the measure was submitted by the Office of the Public Defender. Comments regarding the measure were submitted by the Hawaii Community Development Authority. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that graffiti is a community-wide problem, and the intent of this measure is to impose appropriate penalties that will act as a deterrent to this type of property crime. Your Committee notes that testimony from Hawaiian Electric Company, Inc., suggested an amendment to require a property owner's consent prior to the removal of graffiti in order to avoid possible risk of serious injuries from the removal of graffiti from any electrical equipment. Additionally, testimony from the Office of the Public Defender raised concerns regarding the imposition of penalties requiring removal of graffiti and reimbursement of property owners by a defendant, even if the defendant was not involved with the later incidents of graffiti damage.

Your Committee has amended this measure by:

- (1) Clarifying that a property owner or owner's consent must be obtained prior to the removal of graffiti;
- (2) Revising language addressing imposition of the penalties regarding the damage to the adjacent property;
- (3) Making the measure effective upon its 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 Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2129, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2129, 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 (Takamine).

**SCRep. 2975 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations and Ways and Means on H.B. No. 2561**

The purpose of this measure is to narrow the applicability of the legislative approval process for the sale or gift of State lands in fee simple to transfers of ceded lands.

Testimony in support of the measure was submitted by seven state agencies and three organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Act 176, Session Laws of Hawaii 2009, codified as section 171-64.7, Hawaii Revised Statutes, requires that any sale or gift of state lands in fee simple be subject to a legislative approval process. Thereby, any state agency wishing to sell or gift state lands must submit a concurrent resolution to the Legislature describing the sale with specific details and the concurrent resolution must be adopted by a two-thirds majority vote of both houses. The Legislature adopted the legislative approval process to protect lands which the State has responsibility and stewardship over, and the intent was for the legislative approval process to have broad application.

This measure is designed to greatly narrow the application of the legislative approval process to those transactions conveying ceded lands. Your Committees are concerned that this major change in the law, so soon after implementation, is a reversal of the Legislature's policy goals. However, your Committees recognize the concerns expressed by the Attorney General with regard to how this process may frustrate certain land transfers.

Your Committees find that the Campbell Estate gifted non-ceded lands to the University of Hawaii for the specific purpose of building the West Oahu campus, with the condition that construction begin by December 31, 2011 or the land reverts to the Campbell Estate. Portions of the gifted land surrounding the proposed campus are to be sold to expedite the financing of the construction of the new campus, however, the legislative approval process may cause delays in these sales thus resulting in the condition not being met.

In recognition of the Attorney General's concerns and the University of Hawaii's position with regard to the West Oahu campus, your Committees have amended this measure by deleting its contents and inserting language that exempts non-ceded lands acquired by the University of Hawaii after December 31, 1989 from the legislative approval process of section 171-64.7, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2561, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2561, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 18. Noes, none. Excused, none.

**SCRep. 2976 Ways and Means on H.B. No. 1948**

The purpose of this measure is to expedite the refund to taxpayers of tax overpayments.

More specifically, this measure requires the Department of Taxation to provide refunds to taxpayers within ninety days of the earlier of the filing of the return or the due date of the tax.

The measure also requires that, if the refund is not paid within the ninety-day period, interest will accrue to the taxpayer at the rate of one-third of one per cent per month until the refund and accrued interest is paid to the taxpayer.

Testimony in opposition to this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments on the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will ensure that taxpayers who are entitled to a tax refund for the overpayment of taxes receive their refund in a timely manner.

Your Committee has amended this measure by:

- (1) Requiring the Department of Taxation to provide refunds to taxpayers within ninety days of the later of:
  - (A) The due date of the tax return; or
  - (B) The date the tax return is filed; and
- (2) Changing the effective date to July 1, 2020, 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 H.B. No. 1948, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1948, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 2977 Ways and Means on H.B. No. 2267**

The purpose of this measure is to require the Department of Education to equitably distribute federal funds to public charter schools when the department uses enrollment numbers of the public charter schools to secure the federal funding.

Your Committee conducted a public hearing on a proposed draft of this measure. The purpose of the proposed draft is to:

- (1) Require the Charter School Review Panel to adopt a clear process with rigorous criteria for charter schools to be reauthorized;
- (2) Require the Charter School Review Panel to reauthorize a charter school no later than four years following the initial issue of the charter and every four years thereafter;
- (3) Require the Charter School Administrative Office to withhold not more than two per cent of the annual general fund allocation for its operational expenses, including salaries for staff and the executive director;
- (4) Require the Charter School Administrative Office to report annually to the Charter School Review Panel the individual and aggregate expenditures of charter schools, clearly distinguishing between expenditures for operational and instructional purposes;
- (5) Require per-pupil allocation checks paid by the Charter School Administrative Office to individual charter schools to be co-signed by the executive director of the Charter School Administrative Office and an agent of the Charter School Review Panel to encourage more intentional and well-informed financial decision-making;
- (6) Repeal the cap on the number of start-up and conversion charter schools;
- (7) Require the Department of Education to make available vacant school facilities or portions of school facilities for use by charter schools; provided that the facility is not used by the Department to support education programs; and
- (8) Make changes to charter school funding, including the establishment of the over-appropriation special fund, to further encourage fairness in funding and the availability of resources to charter schools.

Your Committee received comments on this measure from the Office of the Governor, the Department of Budget and Finance, the Department of Education, the Hawaii Charter Schools Network, the Ho'okako'o Corporation, and a concerned individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that public charter schools often encounter challenges in securing school facilities, such as high rent and less-than-desirable locations. This proposed draft would address those challenges by providing charter schools with access to the available school facilities of the Department of Education. Your Committee also finds that changes to charter school funding are necessary to provide more equality in funding and to allow more informed financial decision-making by the Charter School Administrative Office. Your Committee notes that in a recent article on the competition for Race to the Top federal funds to spur educational reform, Hawaii was ranked twenty-second of forty-one applicants, and results specifically noted that Hawaii received low grades with respect to support for its charter schools. This proposed draft would provide equitable funding for charter schools and hold them accountable for their performance.

Accordingly, your Committee amended this measure by replacing its contents with those of the proposed draft and further amending the proposed draft by:

- (1) Clarifying that when the Department of Education elects to use the facilities of a vacant public school for the support of public education programs, preference shall be given to instructional uses;
- (2) Deleting the requirement that the Governor withhold ten per cent of charter schools' annual allocation until December 31;
- (3) Deleting the provision establishing the over-appropriation special fund and, instead, establishing the charter schools account in the State treasury, into which shall be deposited the per-pupil distributions and providing that up to \$5,000,000 of excess funds may be retained in the charter schools account; and
- (4) Clarifying that the Charter School Administrative Office is required to withhold the December 1 allocation of funds from any school that is not in compliance with the office financial reporting requirements.

Your Committee finds that this measure, as amended, will allow for expansion of public charter schools while increasing accountability.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2267, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2267, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

### **SCRep. 2978      Judiciary and Government Operations on H.B. No. 2003**

The purpose of this measure is to update, organize, and clarify the current campaign finance laws.

Testimony in support of the measure was submitted by the Campaign Spending Commission (Commission). Comments regarding the measure were submitted by four private organizations and many individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the campaign finance laws, codified in chapter 11, subpart B of part XII, Hawaii Revised Statutes (campaign finance laws), are unorganized, difficult to read, and inconsistent in some areas, due to the numerous amendments that have been made to these laws over the past thirty-seven years. To address these concerns, the Commission's Blue Ribbon Recodification Committee (Committee) set out to reorganize the existing campaign finance provisions in the campaign finance laws, by dividing long sections into shorter sections with clear titles for quick reference and group laws on one subject together, among other things. The product of the Committee's work was introduced during the 2009 Regular Legislative Session. That measure, H.B. No. 128, C.D. 2 (2009), was passed by the 2009 Legislature, but was subsequently vetoed by the Governor.

The Commission then met with the Governor's staff to discuss the reasons for the veto. The Commission submitted testimony earlier to your Committee, stating that two concerns remained unaddressed after these discussions: the number of nominees from which to select commissioners, and the exception of competitively bid contracts from the campaign contribution prohibition.

This measure, and its companion, S.B. No. 2251, were introduced at the Commission's request during the 2010 Regular Legislative Session. Both of these companion measures addressed the Governor's concerns, but also made additional changes and amendments, some of which were substantive rather than simply recodifying and reorganizing the existing campaign finance laws. During hearings before the House of Representatives, other changes and amendments were made to H.B. No. 2003; some of these amendments were also substantive, although favorable for the campaign finance laws.

By contrast, when your Committee heard S.B. No. 2251, your Committee expressed its belief that the recodification of the campaign spending laws is important and that any additional changes to S.B. No. 2251, although reasonable, would only serve to delay the recodification by creating additional points of concern for the Governor. Accordingly, your Committee amended S.B. No. 2251 by replacing its contents with the contents of H.B. No. 128, C.D. 2 (2009), making changes to address the Governor's remaining concerns with H.B. No. 128, C.D. 2 (2009), and making technical, nonsubstantive changes.

Your Committee still believes that limiting substantive additional changes to any measure that intends to recodify and reorganize the campaign finance laws is the most practical method of achieving the recodification, even if the substantive changes proposed would only enhance the existing campaign finance laws.

Accordingly, your Committee has amended this measure by replacing its contents, except as set forth below, with the contents of S.B. No. 2251, S.D. 1. The exceptions are as follows:

- (1) Inclusion of a new section to provide for transparency and to indicate that the campaign finance laws should be construed to support transparency;
- (2) Amendments to the definitions of "contribution" and "other receipts" to exclude loans, so that reporting of loans to candidate committees will be reported as loans rather than as contributions or receipts, lessening confusion between these categories;
- (3) An amendment to the definition of "election period" to clarify the election period for a special election;
- (4) Reinsertion of language from existing campaign finance laws regarding the obligation of the Judicial Council to meet and expeditiously select additional persons for the list of nominees whenever the number of the eligible nominees falls below five, as requested by the Chief Justice;
- (5) Clarification regarding the authority of the Commission to dismiss persons employed by or contracted with the Commission, to emphasize that such authority is discretionary;
- (6) Insertion of a provision from H.B. No. 2003, H.D. 3, regarding ballot issue committees;
- (7) Change of the measure's effective date to upon its approval; and



(8) Inclusion of technical, nonsubstantive changes for purposes of style, clarity, and consistency with the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2003, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2003, H.D. 3, 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 (Slom). Noes, none. Excused, none.

**SCRep. 2979 (Joint) Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 99**

The purpose of this measure is to request the establishment of a working group to analyze the potential development of geothermal energy as the primary energy source to meet the baseload demand for electricity on the Big Island.

Testimony in support of the measure was submitted by one Mayor, one county agency, four organizations, and four individuals. Three organizations support the intent, and two state agencies submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Using geothermal energy as the primary energy source for the Big Island will stabilize electricity costs for residents, promote energy independence, and protect the environment by reducing greenhouse gas emissions. Reducing energy costs for businesses and residents will foster economic growth and increase the amount of discretionary income available for residents to support their families. The Hawaii Clean Energy Initiative aims to meet seventy per cent of the State's energy needs through renewable sources by 2030. Geothermal energy is efficient and stable, and has long-term viability to help Hawaii meet its 2030 goals. Your Committees find that as a proven source of reliable firm capacity, geothermal energy has great potential to be the primary source of energy to meet the Big Island's baseload demand, generating the amount of power required to meet minimum electricity demands based on reasonable expectations of customer requirements.

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 S.C.R. No. 99 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, English, Fukunaga, Hemmings, Ihara).

**SCRep. 2980 Energy and Environment on S.C.R. No. 209**

The purpose of this measure is to support the phase out of production and importation of decabromodiphenyl ether (decaBDE) and all other polybrominated diphenyl ethers (PBDE).

Testimony in support of the measure was submitted by one state agency. One organization submitted comments, and one organization has concerns. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In 2008, the Department of Health prepared a report to the Legislature on the negative environmental and health impacts of decaBDE. These flame retardants have been used in electronics, wire and cable insulation, textiles, automobiles, trains, airplanes, and other devices where the risk of fire is great. Use of decaBDE and PBDE in such products has saved millions of lives, however, when these ethers burn, they emit other chemicals into the air that may cause cancer. Today, there are reasonable alternatives to the use of decaBDE and PBDE. Your Committee finds that the United States Environmental Protection Agency and industry leaders have taken great strides to reduce our citizens exposure to decaBDE and PBDE and your Committee supports future efforts to eliminate the use of these ethers.

Your Committee has amended the measure by:

- (1) Adopting the recommendation of the Citizens for Fire Safety Institute to remove the provisions describing the negative health impacts of these fire retardants and to include a clarification of the producers of fire retardants commitments; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 209, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 209, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Hemmings, Ihara).

**SCRep. 2981 Energy and Environment on S.R. No. 107**

The purpose of this measure is to support the phase out of production and importation of decabromodiphenyl ether (decaBDE) and all other polybrominated diphenyl ethers (PBDE).

Testimony in support of the measure was submitted by one state agency. One organization submitted comments, and one organization has concerns. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In 2008, the Department of Health prepared a report to the Legislature on the negative environmental and health impacts of decaBDE. These flame retardants have been used in electronics, wire and cable insulation, textiles, automobiles, trains, airplanes, and other devices where the risk of fire is great. Use of decaBDE and PBDE in such products has saved millions of lives, however, when these ethers burn, they emit other chemicals into the air that may cause cancer. Today, there are reasonable alternatives to the use of decaBDE and PBDE. Your Committee finds that the United States Environmental Protection Agency and industry leaders have taken



great strides to reduce our citizens exposure to decaBDE and PBDE and your Committee supports future efforts to eliminate the use of these ethers.

Your Committee has amended the measure by:

- (1) Adopting the recommendation of the Citizens for Fire Safety Institute to remove the provisions describing the negative health impacts of these fire retardants and to include a clarification of the producers of fire retardants commitments; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 107, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 107, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Hemmings, Ihara).

**SCRep. 2982 Labor on Gov. Msg. Nos. 221 and 222**

Recommending that the Senate advise and consent to the nominations of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 221 JAMES LEE WEANDER, for a term to expire 6-30-2010; and

G.M. No. 222 JAMES LEE WEANDER, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds James Lee Weander to possess the requisite qualifications to be nominated to the Hoisting Machine Operators Advisory Board.

Testimony in support of the nomination of James Lee Weander was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Mr. Weander has diligently served as an interim member of the Hoisting Machine Operators Advisory Board (Board) since July of 2009. Mr. Weander has accumulated over forty years of experience in the construction industry and his primary objective while serving as an interim member of the Board has been to ensure and improve upon safety in the workplace, which is parallel to the mission of the Board.

Specifically, Mr. Weander's experience includes working as a crane operator for twenty-four years in California which required operating truck-mounted cranes in excess of three hundred fifty tons and assisting in the layout of complex multiple crane lifts. Your Committee finds that the extensive experience of Mr. Weander in the construction industry enables him to provide sound advice and judgment on all facets of crane operation and safety matters.

As affirmed by the records of votes of the members of your Committee on 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 nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 2983 Labor on Gov. Msg. No. 223**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEM OPERATORS

G.M. No. 223 GUY SEICHI MORIGUCHI, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Guy Seichi Moriguchi to possess the requisite qualifications to be nominated to the Board of Certification of Public Water System Operators.

Testimony in support of the nomination of Guy Seichi Moriguchi was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Mr. Moriguchi has accumulated over thirty years of experience in the water and wastewater industry in Hawaii. During those thirty years Mr. Moriguchi obtained certifications as a Grade I Water Distribution Operator, Grade II Water Treatment Plant Operator, and Grade IV Wastewater Treatment Plant Operator. Those certifications and experiences have enabled Mr. Moriguchi to manage and oversee critical operations of water and wastewater management on the islands of Oahu, Maui, Lanai, and Hawaii.

Your Committee also finds that the reappointment of Mr. Moriguchi will continue to provide the Board of Certification of Public Water System Operators with valuable insight into the nuances associated with public water system operations from a traditional operator's point of view.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Bunda, Hee).

**SCRep. 2984      Judiciary and Government Operations on H.B. No. 2288**

The purpose of this measure is to prohibit the inclusion of a requirement in a deed restriction or other covenant running with the land that requires a transferee of real property to pay a fee in connection with a future transfer of the property.

Written comments in support of the measure were submitted by two private organizations. Written comments regarding the measure were submitted by the Hawai'i Association of Realtors. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that a private transfer fee is a fee imposed by a private party that requires the payment of a certain amount, potentially in perpetuity. Presently, there is no regulation over the imposition of private transfer fees, no limitation on the application of the fees, and no accountability or oversight of the recipients of the fees. Your Committee notes that some private transfer fees are legitimate. These include, among others, fees paid to holders of conservation easements when portions of the property are transferred to a third party and assessments by community association entities. Your Committee believes that the measure as received adequately exempts these legitimate transfer fees.

Your Committee received comments from the Hawai'i Association of Realtors regarding the exemption relating to shared appreciation for affordable housing, suggesting that a ten-year limitation be included to close a potential loophole for nongovernmental affordable housing projects.

Your Committee has amended this measure by:

- (1) Adding a ten-year limitation for the exemption regarding shared appreciation for affordable housing, as suggested by the Hawai'i Association of Realtors; and
- (2) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

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

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 2985      (Majority) Judiciary and Government Operations on H.B. No. 2085**

The purpose of this measure is to:

- (1) Help ensure continuity of care for Hawaii's neediest population; and
- (2) Make certain that Medicaid contracts reflect expectations outlined in national health care reform by establishing restrictions on the issuance of requests for proposals for QUEST contracts.

Written comments in support of the measure were submitted by two private organizations. Written comments in opposition to the measure were submitted by one state agency and one private organization. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the recent passage of the Patient Protection and Affordable Care Act, P.L. No. 111-148, and the Health Care and Education Reconciliation Act of 2010, H.R. 4872, (collectively, the Acts) generated major changes to the health care system nationwide. These Acts will have an impact on Hawaii's Medicaid programs in ways that are yet to be fully defined and understood. Additionally, the State's budget difficulties may make it challenging for the Department of Human Services to oversee a Request for Proposals for QUEST contracts at this time. As stated in the written comments submitted to your Committee, current QUEST contracts have been extended to mid-2011. Accordingly, given these circumstances, a Request for Proposals for QUEST contracts in 2010 may be premature.

Your Committee has amended this measure by:

- (1) Making the measure effective upon approval; and
- (2) Making technical, nonsubstantive changes to reflect the passage of the Acts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2085, 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. 2085, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 2 (Bunda, Slom). Excused, none.

**SCRep. 2986      (Majority) Judiciary and Government Operations on H.B. No. 2061**

The purpose of this measure is to establish a procedure within the Family Court for custody and visitation of minor children in the event of the deployment of either or both of the minor's parents.

Written comments in support of the measure were submitted by the Family Law Section of the Hawaii Bar Association. Written comments in support of the intent of the measure, with suggested amendments, were submitted by one state agency, two private organizations, and one individual. Comments regarding the measure were submitted by the United States Department of Defense and the Judiciary. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that deployment of a child's parent on active military service where the child may not accompany the parent presents special problems in terms of custody and visitation arrangements. Nonetheless, as reflected in the comments submitted regarding this measure, there appears to be some disagreement as to how to adequately address these problems.

Your Committee received written comments expressing concerns from the United States Department of Defense that the demands of military service should not abrogate the service member's parental rights. Specifically, the Department of Defense indicated that provisions should be included in the measure indicating that past absence due to military service should not serve as the sole basis for altering a custody order in place prior to the absence and that the custody order in place before the absence of a military parent should be reinstated within a set time upon the return of the military parent, absent proof that the best interests of the child would be undermined, and that the non-absent parent should bear the burden of proof.

Your Committee also received written comments expressing concerns from the Judiciary, indicating that the measure may increase litigation and uncertainty by creating small anomalies. Among other things, the Judiciary maintained that the fact of deployment should not "trump" all other factors for either parents when determining custody or visitation and that the measure may conflict with the provisions of the Uniform Child-Custody Jurisdiction and Enforcement Act, codified at chapter 583A, Hawaii Revised Statutes, relating to the "home state" jurisdiction over the child.

Your Committee believes that these concerns should be addressed and discussed more fully when the measure is heard during Conference Committee hearings.

Your Committee has amended this measure by:

- (1) Inserting an effective date of September 14, 2047, to ensure further discussion regarding the concerns expressed in testimony; and
- (2) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency with the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2061, 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. 2061, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Gabbard). Noes, 1 (Slom). Excused, none.

**SCRep. 2987      Judiciary and Government Operations on H.B. No. 2383**

The purpose of this measure is to recognize and require the National League of Families' POW/MIA (prisoner of war/missing in action) flag to be flown on specified days at the State Capitol and on the grounds of the headquarters of the State Department of Defense.

Written comments in support of the measure were submitted by one private organization and one individual. Written comments in support of the measure, with suggested amendments, were submitted by one private organization and five individuals. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee recognizes the great sacrifices made by the thousands of brave Hawaii residents who were captured and interned as prisoners of war, and the thousands of others who have been officially reported as missing in action. Your Committee believes that the public display of the POW/MIA flag is an appropriate honor and tribute to these brave sons and daughters of Hawaii and to the many others who have served and are currently serving in the military.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style, accuracy, and to clarify that the POW/MIA flag may be flown on the grounds of the State Capitol and on the grounds of the headquarters of the State Department of Defense on days other than those specifically listed in the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2383, 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. 2383, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 2988      (Majority) Judiciary and Government Operations on H.B. No. 2441**

The purpose of this measure is to exempt gifts to the State from being deemed a procurement contract and from requiring a procurement contract in order to be accepted by the State as a gift.

Written comments in support of the measure were submitted by one private organization. Written comments regarding the measure were submitted by the State Procurement Office. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there have been instances, as detailed in comments submitted to your Committee, in which the provisions of the Public Procurement Code, codified at chapter 103D, Hawaii Revised Statutes, effectively prevented goods and services from being given to the State. Specifically, two private organizations offered to donate energy- and cost-saving equipment to state facilities that would have reduced energy use and saved taxpayers money. Although requiring a potential donee to go through the procurement process in order to donate goods or services to the State seems nonsensical, your Committee is nonetheless cognizant of the concerns of the State Procurement Office that this measure may encourage a "donate to play" arrangement.

Your Committee notes that an earlier version of this measure, H.B. No. 2441, H.D. 1, contained provisions based upon recommendations developed by a task force established pursuant to Senate Concurrent Resolution No. 132, S.D. 1, Regular Session of

2009. Your Committee believes that these provisions should be incorporated back into the measure as received, in order to facilitate and expedite the procurement contract awards process for government projects.

Your Committee has amended this measure by:

- (1) Inserting language from H.B. No. 2441, H.D. 1, as a new part I, which provides that:
  - (A) Notwithstanding any other statute or administrative rule relating to procurement, contracts for projects of the state departments of Hawaiian Home Lands and Transportation, county boards of water supply, and county departments of housing, planning and permitting, and transportation must be awarded within thirty days of the bid opening date, subject to certain terms and conditions; and
  - (B) Procurements for design professional services must be awarded within forty-five days of the bid opening date;
- (2) Inserting a sunset date of July 1, 2012;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion regarding, among other things, the time frame requirements for the expedited procurement award process; and
- (4) Making technical, nonsubstantive changes for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2441, 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. 2441, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, none.

**SCRep. 2989 (Majority) Judiciary and Government Operations on H.B. No. 2349**

The purpose of this measure is to extend the offenses of assault in the second degree and terroristic threatening in the first degree to include actions committed against emergency medical services personnel to include a physician, physician's assistant, nurse, or nurse practitioner who provides medical services in the emergency room of a hospital.

Written comments in support of the measure were submitted by two private organizations. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee received comments indicating that violence against healthcare personnel appears to be on the rise. Emergency department workers routinely find themselves at increased violence due to the high volatility of the emergency patient population, with an increasing number of patients and visitors using drugs and alcohol, or having psychiatric disorders or dementia, which make them more prone to violence. Nationally, studies have shown that between thirty-five per cent and eighty per cent of hospital staff have been physically assaulted at least once and that nurses are at an increased risk for violence while on duty. Your Committee finds that extending the offenses of assault in the second degree and terroristic threatening in the first degree to include actions committed against emergency medical services personnel in emergency rooms is a logical extension of the current provisions covering emergency response personnel.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to ensure further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2349, 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. 2349, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 2990 Judiciary and Government Operations on H.B. No. 1190**

The purpose of this measure is to require the police department of each county to:

- (1) Identify roadways or the class of roadway that is most critical to the free movement of persons and commerce; and
- (2) Establish protocols necessary to coordinate major traffic accident investigations by law enforcement and other authorities, including immediately notifying the medical examiner in the case of fatal traffic accidents.

Written comments in support of the measure were submitted by one individual. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that a thorough investigation of traffic accidents, particularly those accidents involving fatalities, is essential; however, the lengthy closure of some roadways in Hawaii, such as Fort Weaver Road, for example, can result in bumper-to-bumper gridlock and half-day commutes. Your Committee finds that, by coordinating investigation of traffic accidents with all other involved authorities and parties, including medical examiners, the time required to block roads for traffic accident investigations should be significantly shortened. Your Committee also notes that the measure is not intended to restrict a police department's authority to enforce any of the powers otherwise granted to it by law.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1190, 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. 1190, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 2991 Judiciary and Government Operations on H.B. No. 2132**

The purpose of this measure is to provide protections to mortgagors who are consumers and owner-occupants by:

- (1) Requiring a foreclosing mortgagee, who is foreclosing under a power of sale pursuant to section 667-5, Hawaii Revised Statutes (HRS), to provide the mortgagee with written notice of the availability of credit counseling through a credit counseling agency approved by the United States Department of Housing and Urban Development;
- (2) Prohibiting a foreclosing mortgagee from foreclosing under a power of sale pursuant to section 667-5, HRS, from initiating proceeding until the mortgagee provides a copy of the promissory note and mortgage document, if these documents are requested by the mortgagor; and
- (3) Providing that a public sale price of seventy per cent of the fair market value of the mortgaged property, as established by an appraisal or broker's price opinion, shall be fair and reasonable.

Written comments regarding this measure were submitted by the Department of Commerce and Consumer Affairs. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, in these difficult economic times, foreclosures have become more prevalent and have affected many homeowners, who may or may not understand the implications of the foreclosure process. While your Committee believes that protections should be in place to assist these vulnerable homeowners in avoiding confusion and misunderstandings regarding the foreclosure process, these protections should not unduly burden mortgagors or inappropriately create inflexible standards that are too rigid when applied in practice.

Your Committee has amended this measure by:

- (1) Deleting section 3 of the measure, which contains the provision that a public sale price of seventy per cent of the fair market value of the mortgaged property is fair and reasonable;
- (2) Inserting an effective date of September 14, 2047, to facilitate further discussion; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2132, 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. 2132, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2992 Judiciary and Government Operations on H.B. No. 2575**

The purpose of this measure is to give statewide emergency and trauma system multidisciplinary quality assurance and peer review subcommittees convened and conducted by the Department of Health for the purposes of making system improvements peer review protections similar to those applicable to peer review committees formed by hospitals and health maintenance organizations.

Written comments in support of the measure were submitted by one private organization. Comments regarding the measure were submitted by one state agency. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that statewide trauma multidisciplinary quality assurance and peer review committees will allow for the collection of reliable data, the ongoing and systematic analysis of trauma outcomes, the provision of feedback to participating trauma centers, hospitals, and practitioners, and the identification of local or statewide opportunities for improvement. These processes will, in turn, result in higher survival and diminished disability for patients sustaining serious injuries in Hawaii. In order to facilitate these processes, a measure of confidentiality and protection from discovery must be granted to the committees' proceedings, similar to proceedings for these types of committees within individual hospitals and health maintenance organizations.

Your Committee notes that interested stakeholders, including the Department of Health and the Office of Information Practices, have been working together to produce a draft that the stakeholders believe would adequately encourage the honest, open, and voluntary participation in these statewide committees.

Your Committee has amended this measure by:

- (1) Authorizing the Department of Health to establish statewide quality assurance committees, as recommended by the stakeholders;
- (2) Providing that the proceedings of the statewide quality assurance committees established by the Department of Health shall not be subject to part I of chapter 92, Hawaii Revised Statutes, relating to open meetings, as recommended by the stakeholders;
- (3) Providing that the proceedings of the statewide quality assurance committees established by the Department of Health shall be confidential for purposes of chapter 92F, Hawaii Revised Statutes, relating to records of proceedings, as recommended by the stakeholders; and
- (4) Making technical, nonsubstantive changes for purposes of style.



As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2575, 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. 2575, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2993      Judiciary and Government Operations on H.B. No. 1808**

The purpose of this measure is to clarify the definition of “shoreline” under the State’s Coastal Zone Management Law.

Specifically, the measure clarifies that a shoreline is the edge of natural vegetation growth or the upper limit of debris left by the wash of the waves, whichever is further most mauka, but never lower than the upper limit of debris left by the wash of the waves.

Written comments in support of the measure were submitted by one individual. Written comments in support, with suggested amendments, were submitted by one state agency and four individuals. Written comments in opposition to the measure were submitted by one individual. Written comments regarding the measure were submitted by two individuals. Written comments presented to your Committee may be reviewed on the Legislature’s website.

Your Committee finds that comments submitted regarding this measure reflect the dual concerns of property boundary preservation for oceanfront parcels and the effects of erosion by artificially extending the vegetation line toward the ocean. Your Committee believes that planting vegetation, or encouraging its growth, in order to change what would be the seaward boundary of an oceanfront lot is particularly troublesome if such actions actually encourage erosion or discourage beach recovery after a large storm. On the other hand, your Committee is also sympathetic to oceanfront property owners faced with the prospect of the ocean eroding their lots.

While the measure as received does not include provisions regarding public beach transit corridors or rights of access to the shoreline, your Committee believes that clarifying the definition of “shoreline” to refer to natural vegetation growth, rather than any vegetation, and to indicate that, in determining the location of the shoreline, the debris line overrides the natural vegetation line will assist in disincentivizing the planting of vegetation in order to extend oceanfront properties further seaward. This may, in turn, preserve public beach areas.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1808, H.D. 3, 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 (Bunda).

**SCRep. 2994      Judiciary and Government Operations on H.B. No. 2133**

The purpose of this measure is to require the state procurement office to authorize reseller agreements in multi-state contracting agreements and to place orders directly with local resellers designated by original equipment manufacturers.

Written comments in opposition to this measure were submitted by the State Procurement Office.

Written comments presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that this measure will clarify the provisions relating to multi-state contracting, particularly implementation of the Western States Contracting Alliance multistate agreements that have resulted in some confusion regarding reseller agreements.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2133, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 2995      (Majority) Judiciary and Government Operations on H.B. No. 2897**

The purpose of this measure is to subject a contractor to the revocation, suspension, or nonrenewal of its license for knowingly or intentionally employing a person on any project or operation who is not eligible to work in the United States under federal law.

Written comments in support of the measure were submitted by two private organizations. Written comments in opposition to the measure were submitted by the Hawai’i Civil Rights Commission. Written comments regarding the measure were submitted by the Contractors License Board. Written comments presented to your Committee may be reviewed on the Legislature’s website.

Your Committee finds that, by Act 145, Session Laws of Hawaii 2009, the Legislature subjected a contractor to the revocation, suspension, or nonrenewal of its license for knowingly or intentionally employing a person who is not eligible to work in the United States under federal law to perform work under a contract subject to chapter 104, Hawaii Revised Statutes, relating to contracts for construction of a public work project to which a governmental contracting agency is a party. Your Committee further finds that this measure is a logical extension of Act 145, as it will apply this penalty to all contractors and not just those contractors working on contracts that are subject to chapter 104, Hawaii Revised Statutes. Given the current economic climate and resulting unemployment rate in Hawaii, it is not unreasonable that the State should provide a level playing field for contractors who hire legally-employable workers, rather than continuing to license contractors who may be cutting corners by hiring workers who are not.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2897, 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, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 2996 Ways and Means on H.B. No. 2505**

The purpose of this measure is to establish and appropriate funds from the access Hawaii committee special fund to support the Access Hawaii Committee.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Access Hawaii Committee was established to manage and operate the internet portal on behalf of the State. This measure will enable the Access Hawaii Committee to assess and collect fees to cover administrative and operational costs. Your Committee further finds that the special fund will allow the Access Hawaii Committee to be more effective in its oversight of portal activities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2505, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 2997 (Majority) Ways and Means on H.B. No. 2084**

The purpose of this measure is to appropriate state matching funds to secure a federal disproportionate share hospital appropriation of \$15,000,000.

The measure also authorizes the State to use a portion of the funds to obtain the disproportionate share hospital allowance for fiscal year 2009-2010.

Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that a federal medicaid disproportionate share hospital appropriation of \$15,000,000 has been secured for Hawaii. However, these funds cannot be expended without a matching state appropriation. In 2009, the Legislature overrode the Governor's veto of a bill that appropriated the State matching funds. To date, the Governor has not released the state funds, although federal funds remain available. Your Committee finds that the state matching fund appropriation under this measure is necessary to receive the federal allowance to continue providing state medicaid coverage in the next fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2084, 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, 1 (Hemmings). Excused, none.

**SCRep. 2998 Ways and Means on H.B. No. 979**

The purpose of this measure is to temporarily authorize the use of the special land and development fund and the land conservation fund to support invasive species control and mitigation, reforestation, and sediment run-off mitigation.

Your Committee received comments in opposition to this measure from the Department of Land and Natural Resources, the Conservation Council for Hawaii, The Nature Conservancy, the Oahu Land Trust, the Trust for Public Land, and two concerned individuals. The written comments may be reviewed on the Legislature's website.

Your Committee finds that invasive species, deforestation, and sediment run-off continue to threaten Hawaii's natural environment. Your Committee acknowledges concerns about charging additional expenses to these dwindling special funds, but your Committee finds that it is crucial to continue to fund programs that will eliminate or mitigate these threats to our natural environment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 979, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Hooser). Noes, none. Excused, 1 (Fukunaga).

**SCRep. 2999 Ways and Means on H.B. No. 2318**

The purpose of this measure is to assist homeless individuals.

Specifically, this measure establishes a housing first special fund, into which each county may provide matching funds, to provide housing first programs and services for the chronically homeless. The measure authorizes the Hawaii Public Housing Authority to implement housing first programs and services for clientele who would most likely benefit and succeed from such programs and services, subject to the availability of existing funds or housing first special fund moneys. The Hawaii Public Housing Authority, in collaboration with the Department of Human Services, may contract with housing first consultants. The measure takes effect on July 1, 2020.

Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the growing problem of homelessness in Hawaii warrants the consideration of Housing First as an alternative to transitional housing and emergency shelters to combat chronic homelessness 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. 2318, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3000 Ways and Means on H.B. No. 2670**

The purpose of this measure is to increase to \$5,000,000 the cap on the amount of funds that the University of Hawaii Board of Regents may expend from the University of Hawaii Tuition and Fees Special Fund to promote alumni relations and generate private donations.

Your Committee received written comments in support of this measure from the University of Hawaii. The written comment may be reviewed on the Legislature's website.

Your Committee finds that during the current economic downturn, fundraising is especially important for the University of Hawaii. Your Committee further finds that this measure affords the University of Hawaii flexibility in the amount that it is authorized to invest in its fundraising campaign.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2670, 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, 1 (Fukunaga).

**SCRep. 3001 Ways and Means on H.B. No. 2290**

The purpose of this measure is to protect valuable agricultural land by providing for the conditional mandatory extension of agricultural leases.

Generally, this measure:

- (1) Requires an extension for any lease of private land with a land classification rating of A or B, if a lessee has made or plans to make substantial improvements on the land, in a county with a population of more than five hundred thousand residents;
- (2) Requires that the extension of the lease be at least seventy-five per cent of the original lease;
- (3) Allows the lessor to agree to a shorter term or termination of the lease if offered by the lessee and requires that any additional terms and conditions of the extension be mutually agreed upon and reasonable;
- (4) Requires any district boundary amendments involving agricultural lands with a land classification rating of A or B to be determined by the Land Use Commission; and
- (5) In counties with a population of more than five hundred thousand residents, prohibits district boundary amendments of agricultural lands with a land classification rating of A or B under specific conditions.

Your Committee received written comments in opposition to this measure from the City and County of Honolulu Department of Planning and Permitting, D.R. Horton-Schuler Homes, the Hawaii Building and Construction Trades Council, the Hawaii Crop Improvement Association, the Land Use Research Foundation of Hawaii, Monsanto Hawaii, Syngenta, Weed and Seed, and five concerned individuals. The Department of Agriculture and a concerned individual submitted comments. Written comments may be reviewed on the Legislature's website.

Your Committee finds that agricultural lands with a land classification rating of A or B are vital to the State's food security and sustainability efforts. Your Committee also finds that the inventory of prime agricultural land in the State is being lost to development, especially in heavily populated areas on Oahu. Your Committee believes that protecting and preserving prime agricultural land is vital to the future of agriculture and also promotes and supports self-sufficiency for 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. 2290, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 3002 Ways and Means on H.B. No. 2409**

The purpose of this measure is to promote commercial aquaculture operations in the State by providing favorable leasing terms of state lands.

More specifically, this measure:

- (1) Increases the maximum lease term for aquaculture operations from thirty-five to forty-five years;
- (2) Permits aquaculture operations in good standing to be given the right of first refusal to renew an aquaculture lease;
- (3) Allows aquaculture operations to engage in supportive aquaculture activities during the lease term;
- (4) Defines the term aquaculture and includes taro within the definition; and
- (5) Requires the Department of Agriculture and the Department of Land and Natural Resources to conduct a comprehensive study to identify state lands that are or can be made available for taro production and submit a report to the Legislature.

Your Committee received written comments in support of this measure from Aquaculture Planning and Advocacy, East Oahu County Farm Bureau, Fully Integrated Systems Hawaii, Hawaii Aquaculture Association, Hawaii Fish Company, Hawaii Oceanic

Technology, Inc., Pacific Aquaculture and Biotechnology, and six concerned individuals. The Sierra Club of Maui, Food and Water Watch, and two individuals submitted comments in opposition. The Department of Agriculture, Department of Land and Natural Resources, and seventy-two individuals submitted comments. The written comments may be reviewed on the Legislature's website.

Your Committee finds that direct leasing of public lands is the cornerstone for building a successful aquaculture industry in the State. However, the current maximum lease rate does not allow aquaculture ventures to reach economic viability. As a result, aquaculture ventures have a difficult time attracting financing. Your Committee also finds that the production of taro is vital to the aquaculture and agriculture industries. Your Committee believes that this measure will ensure that the aquaculture industry thrives 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. 2409, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Hooser). Noes, none. Excused, 1 (Fukunaga).

**SCRep. 3003 Ways and Means on H.B. No. 2266**

The purpose of this measure is to require the Department of Public Safety to address sexual assault in prisons.

More specifically, this measure requires the Department of Public Safety to:

- (1) Place priority upon establishing appropriate counseling services for inmates who are victims of sexual assault;
- (2) Place priority upon establishing policies and standards of transparency to achieve a zero-tolerance policy for prison sexual assault;
- (3) Annually report to the Legislature certain data regarding sexual assault, non-criminal sexual misconduct, criminal cases, and civil claims; and
- (4) Report to the 2011 regular session of the Legislature on the Department's efforts to implement the federal Prison Rape Elimination Act of 2003 in state correctional facilities.

Your Committee finds that this measure will assist the Department of Public Safety in the elimination of prison rape and will protect the fundamental rights of inmates to justice, dignity, and safety.

Your Committee received written comments on this measure from the Drug Policy Forum of Hawaii. Written comments may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2266, 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, 1 (English).

**SCRep. 3004 Ways and Means on H.B. No. 2152**

The purpose of this measure is to require the Disability and Communication Access Board to charge a fee for the review of plans and specifications for the construction of public buildings, facilities, and sites to ensure that they conform to the Americans with Disabilities Act Accessibility Guidelines and Federal Fair Housing Amendments Act of 1988.

The measure also:

- (1) Requires the board to establish by rule, a fee schedule that includes reasonable tiered fees based upon estimated construction costs; and
- (2) Provides for a fee schedule until one is adopted by the board.

Your Committee received written comments on this measure from the Disability and Communication Access Board. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the review process conducted by the Disability and Communication Access Board is a valuable service that ensures that people with disabilities will be afforded appropriate access to public buildings, facilities, and sites. Your Committee further finds that the fees authorized by this measure will help defray a portion or all of the costs of the review process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 3005 Ways and Means on H.B. No. 674**

The purpose of this measure is to amend the operating budget of the Office of Hawaiian Affairs for fiscal years 2009-2010 and 2010-2011.

Your Committee finds that this measure will provide funds to support needed Native Hawaiian educational and cultural programs and initiatives.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 674, 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, 1 (Fukunaga).

**SCRep. 3006 Ways and Means on H.B. No. 2000**

The purpose of this measure is to provide the Judiciary with supplemental appropriations and authorizations for its operations and capital improvements for fiscal biennium 2009-2011 by amending the Judiciary Appropriations Act of 2009.

Written comments may be reviewed on the Legislature's website.

The Governor has directed executive departments to reduce their budgets by 13.85 per cent of payroll. This target amount is based upon the savings that three furlough days per month would accrue. A similar reduction to the Judiciary's budget would be approximately \$12,000,000. The Senate Committee on Judiciary and Government Operations instead imposed a reduction of \$11,069,376 on the fiscal year 2011 general fund appropriation. This amount was calculated using the Department of Budget and Finance's projection of \$8,069,376 two-day furlough savings and an additional lump sum reduction of \$3,000,000. This will allow the Judiciary to allocate this reduction in accordance with their priorities.

While not meeting the same general fund reductions imposed on state executive agencies, your Committee concurred with the committee on Judiciary and Government Operations' recommended funding levels for the Judiciary.

However, your Committee has amended the capital improvement program portion of the budget to provide \$5,487,000 in fiscal year 2011 funding for necessary repairs and improvements at the Lahaina District Court, the North Kohala District Court, and the District and Circuit Courts in Honolulu.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2000, 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. 2000, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hee).

**SCRep. 3007 Ways and Means on H.B. No. 1854**

The purpose of this measure is to remove unnecessary restrictions on the use of the food distribution program revolving fund.

Specifically, this measure allows the use of food distribution program revolving funds to support the administration and operation of the food distribution program pursuant to title 7 Code of Federal Regulations section 250.15.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that unnecessary restrictions on the use of moneys in the food distribution program revolving fund place a great strain on the Department of Education's budget. Your Committee also finds that this measure would align the use of the food distribution program revolving fund with the allowable costs described in title 7 Code of Federal Regulations section 250.15.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1854, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1854, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3008 Ways and Means on H.B. No. 2294**

The purpose of this measure is to establish fines for the failure to pay, bill, or remit the inspection, quarantine, and eradication fee.

Additionally, this measure exempts liquid bulk freight, cement bulk freight, coal bulk freight, and aggregate bulk freight from the fee.

Your Committee received written comments in support of this measure from AES Hawaii, Inc., Grace Pacific Corporation, Hawaiian Cement, Monsanto Hawaii, The Nature Conservancy, and one concerned individual. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the fines established by this measure will ensure payment of the inspection, quarantine, and eradication service fee to ultimately fund the operation of pest inspection, quarantine, eradication, biosecurity, and monitoring programs. The fee will also support the operation of related facilities, as well as the execution of emergency remedial measures when invasive pests are detected in the course of inspection and quarantine activities. Your Committee also finds that exempting liquid bulk freight, cement bulk freight, coal bulk freight, and aggregate bulk freight from the fee is consistent with the provisions of the federal Agricultural Risk Protection Act of 2000.

Your Committee amended this measure by changing the effective date to July 1, 2055, 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. 2294, 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. 2294, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 3009 Ways and Means on H.B. No. 2377**

The purpose of this measure is to implement a constitutional amendment, upon its ratification, to require the voting members of the Board of Education to be appointed by the Governor.

The measure would also require the appointments to be made with the advice and consent of the Senate from pools of qualified candidates presented to the Governor by the Board of Education Candidate Nomination Commission.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that requiring the Board of Education members to be appointed rather than elected will provide for greater accountability with respect to the public school system. Your Committee also finds that the establishment of the Board of Education Candidate Nomination Commission will aid in vetting candidates to be considered by the Governor.

Your Committee has amended this measure by:

- (1) Changing references to the governor's actions, which are made throughout this measure, from "nominations" to "appointments", changing references from "candidates" to "members", and changing the term "applicants" to "candidates", to maintain consistency with other references throughout the measure;
- (2) Deleting the definition of "commission" from sections 302A-A and 302A-B, and adding a new definition of "commission" to section 302A-101, Hawaii Revised Statutes (relating to general definitions for the chapter);
- (3) Making a conforming amendment to section 302A-1110, Hawaii Revised Statutes (regarding the inapplicability of educational districts), to reference the school districts established under the new statutory provision section 302A-C; and
- (4) Making technical, nonsubstantive amendments 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 H.B. No. 2377, 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. 2377, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Chun Oakland). Noes, none. Excused, 1 (Hee).

**SCRep. 3010 Ways and Means on H.B. No. 2486**

The purpose of this measure is to establish a minimum number of instructional days and hours per school year for all public and charter schools, beginning with the 2011-2012 school year.

More specifically, this measure:

- (1) Requires a minimum of one hundred eighty instructional days per school year at six instructional hours per day (total of 1,080 instructional hours per school year) for kindergarten through grade six;
- (2) Requires a minimum of one hundred eighty instructional days per school year at six and one-half instructional hours per day (total of 1,170 instructional hours per school year) for grades seven through twelve; and
- (3) Provides that if the implementation of the minimum number of instructional days and hours per school year results in varying schedules for the transportation of students, the Department of Education shall consider pick-up and drop-off times that optimize the department's transportation services while minimizing costs to the State.

Your Committee finds that the recent teacher furloughs have resulted in Hawaii public schools providing the lowest number of instructional days in the nation. Your Committee finds that the reduction in instructional time threatens the overall quality of public education and places students at a grave disadvantage when compared against the achievement levels of other public school systems throughout the nation. Your Committee believes that establishing a mandatory minimum number of days of classroom instruction per school year will confirm the State's commitment to quality public education.

The written comments may be reviewed on the Legislature's website.

Your Committee has amended this measure by replacing its contents with the contents of S.B. 2470, S.D. 2, which was previously adopted by this Committee. As amended, this measure requires all public schools, including charter schools, to implement a minimum of two hundred days of classroom instruction, or an equivalent number of instructional hours, per school year, beginning with the 2011-2012 school year. Your Committee believes that this measure will provide a simpler and more manageable system for not only the Department of Education but for teachers and parents as well.

Your Committee has also provided an effective date of January 1, 2099, 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. 2486, 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. 2486, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hee).

**SCRep. 3011 (Majority) Ways and Means on H.B. No. 415**

The purpose of this measure is to direct the Auditor to conduct a financial and management audit of the Department of Public Safety's contract with the Corrections Corporation of America and the federal detention center in Honolulu.

Specifically, the measure requires that the audit focus on a comparison, in terms of quality of programming, costs, and economic benefit to the State, of housing Hawaii inmates in mainland facilities and the federal detention center in Honolulu, with housing Hawaii inmates in Hawaii facilities operated by the State. The measure further directs the Auditor to:

- (1) Address the closure of the Kulani correctional facility as part of its analysis in conducting this comparison; and
- (2) Recommend whether the continued housing of Hawaii inmates in mainland facilities and in the federal detention center in Honolulu is advisable, in view of the explicit requirements of the Community Safety Act of 2007 and its subsequent amendments.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that the recent closure of Kulani Correctional Facility raises questions regarding the cost-effectiveness of the Department of Public Safety's policy of contracting with the Corrections Corporation of America to house a substantial number of Hawaii inmates in mainland private prisons. Your Committee also finds that the closure of Kulani Correctional Facility also raises questions regarding the Department of Public Safety's compliance with the requirements of the Community Safety Act of 2007.

Your Committee has amended this measure by changing the effective date to January 1, 2050, 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 H.B. No. 415, 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. 415, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 3012 Ways and Means on H.B. No. 1818**

The purpose of this measure is to assist incarcerated young men and women in the State, especially those of Hawaiian descent, by implementing programs to reduce recidivism and to improve inmate reintegration into the community.

Specifically, this measure authorizes the Department of Public Safety to offer reentry/reintegration programs within Hawaii's correctional facilities that include cognitive behavioral therapy with cultural and other interventions to address domestic violence, addictions, self-mastery through identity, and community connections to promote the successful transition from incarceration to the community. The Department of Public Safety is required to report annually to the Legislature regarding these programs.

Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that cognitive restructuring and transition programs present a promising approach to reducing recidivism and helping inmates make a successful transition from prison to the community. These programs will assist inmates in decision making and problem solving and help them to cope with social challenges and take responsibility for their actions.

Upon further consideration, your Committee has 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818, 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. 1818, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3013 Ways and Means on H.B. No. 2461**

The purpose of this measure is to establish several initiatives relating to health insurance, in particular, for prescription drug plans and coverage.

Specifically, this measure:

- (1) Requires the employer-union health benefits trust fund to place a moratorium through June 30, 2012, on the reference-based pricing program that is currently in place in its prescription drug plan;
- (2) Requires the employer-union health benefits trust fund to study the feasibility and long-term effects of that reference-based pricing program and submit a report of findings to the 2012 regular session of the Legislature;
- (3) Requires the Department of Health to execute a budget neutral pilot program that uses mobile health vans equipped with telecommunication services using managed care principles; and
- (4) Requires health insurers and similar entities that provide coverage for prescription drug benefits to continue to provide coverage to an insured, except for members of the Hawaii employer-union health benefits trust fund, for any life-saving prescription medication that is covered as of July 1, 2010.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that that the long-term costs and benefits of using reference-based pricing in prescription drug plans must be thoroughly studied before allowing its use by the employer-union health benefits trust fund in its prescription drug plan. Your



Committee further finds that the use of new and available health care technology that meets the health care needs of patients also needs to be explored. One of the forms of this new and available technology includes the use of mobile health vans equipped with telecommunication services. Your Committee also finds that the continuation of coverage for life-saving prescription drugs is essential to a patient's well-being and recovery, regardless of whether the patient, as an insured, changes insurers or the insurer changes its prescription drug formulary or coverage policy.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive corrections to make terminology consistent, specifically, several references each to "life-saving", and "health insurance carrier"; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2461, 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. 2461, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3014 Ways and Means on H.B. No. 2533**

The purpose of this measure is to clarify conditions under which an Employees' Retirement System retirant may be reemployed by the State or a county without loss of benefits.

Specifically, this measure prohibits the reemployment of a retirant unless the retirant is either reenrolled in the Employees' Retirement System or is employed without reenrollment in the system in specified types of positions. Furthermore, this measure imposes penalties upon retirants and employers if the retirants are reemployed in violation of state or federal law. Finally, this measure repeals uncodified session laws that temporarily authorize the reemployment of retirants until June 30, 2013.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that the conditions and penalties relating to the reemployment of retirants and their reenrollment in the Employees' Retirement System are necessary to protect the status of the Employees' Retirement System as a tax-qualified retirement plan under the Internal Revenue Code.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2533, 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. 2533, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3015 (Majority) Ways and Means on H.B. No. 2919**

The purpose of this measure is to ensure parity of retirement benefits by amending the definition of "sewer worker" for the purposes of the Employees' Retirement System law.

More specifically, this measure adds the following classification titles to the definition of "sewer worker":

- (1) Sewer maintenance working supervisor;
- (2) Wastewater collection system inspection supervisor;
- (3) Wastewater collection system district supervisor;
- (4) Wastewater collection system field services supervisor; and
- (5) Other classification titles that are not listed in the definition of "sewer worker" that perform substantially the same work as those that are listed in the definition.

Your Committee finds that this measure adds to the definition of "sewer worker" supervisory employees who are exposed to the same hazards as their subordinates. Your Committee further finds that this measure will assist in recruiting candidates for supervisory positions, as they will now continue to have the option of retiring after twenty-five years of service. Your Committee also finds that this measure treats similar employees equally, by providing employees with classification titles that are similar to the ones listed in the definition of "sewer worker," but not specifically listed in the definition, with similar benefits under the Employees' Retirement System law.

The written comments may be reviewed on the Legislature's website.

Your Committee amended this measure by:

- (1) Making technical amendments to conform the text of the statute that is being amended to the printed version of the Hawaii Revised Statutes; and
- (2) Changing the effective date to January 3, 2055, to facilitate further discussion 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. 2919, 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. 2919, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 3016 Ways and Means on H.B. No. 2239**

The purpose of this measure is to include hard spirits, wine, and dietary supplements in the deposit beverage container program.

Specifically, this measure amends the definition of “deposit beverage” in section 342G-101, Hawaii Revised Statutes, to include hard spirits and wine and remove the exclusion of dietary supplements.

Written comments may be reviewed on the Legislature’s website.

Your Committee finds that many beverages that are marketed as dietary supplements or “energy drinks” are sold in the same plastic, glass, and aluminum containers as soda and other beverages that are included in the definition of the term “deposit beverage”. Including these dietary supplement beverages in the State’s deposit beverage container program would increase funding for the program, encourage recycling, and reduce the number of recyclable containers entering the State’s landfills.

Your Committee has amended this measure by:

- (1) Removing wine and hard spirits from the definition of deposit beverage to prevent their inclusion in the deposit beverage container program; and
- (2) Amending the effective date to July 1, 2050, to encourage 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. 2239, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2239, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3017 Ways and Means on H.B. No. 2503**

The purpose of this measure is to temporarily expand the permissible uses of the pesticide use revolving fund.

Specifically, the bill removes the limitation on the use of moneys from the fund for personnel costs to cover only employees in the registration and education section of the pesticides branch of the Department of Agriculture.

Your Committee received written comments in support of this measure from the Department of Agriculture. The Grassroot Institute of Hawaii submitted written comments opposing this measure. The written comments may be reviewed on the Legislature’s website.

Your Committee finds that compliance monitoring of safe pesticide use and storage is integral to ensuring protection of the public and the environment. Your Committee further finds that this measure will enable the Department of Agriculture to fund compliance monitoring personnel using moneys in the pesticide use revolving fund. This measure will give the Department of Agriculture the flexibility to maintain services that are necessary to provide adequate pesticide monitoring in the marketplace and at ports of entry.

Your Committee amended this measure by:

- (1) Changing the effective date to July 1, 2055, to facilitate further discussion on this measure; and
- (2) Making a technical amendment to clarify the name of the pesticide use revolving 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. 2503, 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. 2503, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 3018 Ways and Means on H.B. No. 2582**

The purpose of this measure is to adjust the liveaboard fees paid by permittees who moor vessels at the Ala Wai and Keehi boat harbors.

Specifically, this measure requires a permittee using a vessel as a place of principal habitation to pay a liveaboard fee in lieu of the moorage fee and adjusts the liveaboard fees for vessels moored at Ala Wai and Keehi boat harbors, by an amount equal to:

- (1) Three times the moorage fee assessed per month for a recreational vessel of the same size, for residents; and
- (2) Three and one-half times the moorage fee assessed per month for a recreational vessel of the same size, for nonresidents.

Your Committee received comments in support of this measure from the Department of Land and Natural Resources. Comments in opposition were received from the Hawaii Boaters Political Action Association and from twenty-seven individuals. Written comments may be reviewed on the Legislature’s website.

Your Committee has amended this measure to require permittees who use recreational vessels as a place of principal habitation to pay the liveaboard fee in addition to, and not in lieu of, the moorage fee. This will ensure that both the moorage and liveaboard fees are paid, as currently required by section 200-10, Hawaii Revised Statutes.

Your Committee has also amended the measure by changing the effective date to July 1, 2050, to promote further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2582, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2582, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 3019 Ways and Means on H.B. No. 2583**

The purpose of this measure is to establish civil penalties for shark feeding, including seizure and forfeiture of any commercial marine license, vessel, and fishing equipment, and imposition of administrative fines.

Furthermore, this measure clarifies that all costs and expenses associated with the disposal of an impounded unauthorized vessel by the Department of Land and Natural Resources shall be borne by the vessel owner.

Your Committee received comments in opposition to the measure from the Department of the Attorney General and seven concerned individuals. The written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure clarifies that the vessel owner shall be responsible for absorbing the costs and expenses related to the disposition of impounded unauthorized vessels within state small boat harbors and offshore mooring areas and for all mooring fees incurred prior to impoundment. Furthermore, your Committee finds that the impoundment of a vessel used to engage in shark feeding prohibited in state marine waters will serve as a serious deterrent to this conduct.

Your Committee has amended this measure by:

- (1) Clarifying the penalty language to indicate that commercial marine vessels used during illegal shark feeding are subject to impoundment and forfeiture;
- (2) Changing the effective date to July 1, 2020, to facilitate further discussion on the measure; 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. 2583, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2583, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 3020 Ways and Means on H.B. No. 2741**

The purpose of this measure is to adjust and set certain fees paid by permittees who moor vessels in the State's small boat harbors.

Specifically, this measure requires a permittee using a vessel as a place of principal habitation to pay a liveaboard fee in lieu of the moorage fee and changes the liveaboard fees to:

- (1) Three times the moorage fee assessed per month for a recreational vessel of the same size, for residents; and
- (2) Three and one-half times the moorage fee assessed per month for a recreational vessel of the same size, for nonresidents.

The measure also requires a permittee who uses a vessel for commercial fishing activity from its permitted mooring to pay, in lieu of the moorage and liveaboard fees, a fee that is two times the moorage fee assessed for a recreational vessel of the same size.

Furthermore, this measure defines "commercial fishing activity" and allows a person owning an interest in a corporation or other business entity operating a commercial fishing vessel to make a one-time transfer of interest, under certain conditions, without terminating the right to retain or renew the vessel's mooring permit or any other permits issued by the Department of Land and Natural Resources.

Your Committee received comments in opposition to this measure from the Hawaii Boaters Political Action Association and seventeen individuals. The Department of Land and Natural Resources submitted comments. Written comments may be reviewed on the Legislature's website.

Your Committee has amended this measure to require permittees who use recreational vessels as a place of principal habitation to pay the liveaboard fee in addition to, and not in lieu of, the moorage fee. This will ensure that both the moorage and liveaboard fees are paid, as currently required by section 200-10, 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. 2741, 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. 2741, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10; Ayes with Reservations (Galuteria, Kidani). Noes, none. Excused, 2 (Fukunaga, Hee).

**SCRep. 3021 Ways and Means on H.B. No. 2775**

The purpose of this measure is to establish fees to be charged by the Department of Agriculture for the processing of permits, letters of authorization, and registration application to allow the introduction of plants, animals, and microorganisms into the State.

Additionally, this measure:

- (1) Provides for the deposit of those fees into the pest inspection, quarantine, and eradication fund to be used to fund the Department of Agriculture's review and permitting process and related activities; and
- (2) Repeals the permit revolving fund and transfers all funds and unpaid obligations to the pest inspection, quarantine, and eradication fund.

Your Committee received written comments in support of this measure from the University of Hawaii, the Hawaii Crop Improvement Association, and the Nature Conservancy. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Department of Agriculture's inspection and permit sections have an important role in preventing the spread of invasive species into the State's fragile ecosystem.

Your Committee further finds that the Department of Agriculture has only one permit specialist in each of the fields under which the Department issues permits, including those for plants, insects, land vertebrates, aquatic biota, and microorganisms. Due to the State's budget deficit, the Department of Agriculture was forced to reduce the size of the inspection and permit sections. In particular, the Department reduced the plant inspection section by twenty-two inspectors. As a result, all the Departments permit specialists are now required to conduct inspections, as well as perform their permitting duties.

Your Committee believes that by providing the Department with a dedicated funding source to support the permit and inspection sections, the Department will have sufficient resources to continue to protect the State from potential ecological dangers.

Your Committee has amended this measure by clarifying the provision that transfers the funds and unpaid obligations of the permit revolving fund to the pest inspection, quarantine, and eradication 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. 2775, 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. 2775, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 3022 (Majority) Ways and Means on H.B. No. 2598**

The purpose of this measure is to limit the annual distribution of transient accommodations tax revenues to the counties for five years.

Specifically, this measure establishes a total dollar limit on the annual transfer of the tax revenues to the counties, from July 1, 2010, to June 30, 2015. In addition, this measure provides for assessing the transient accommodations tax at \$8 per day or at the present rate of 7.25 per cent of gross rental or gross rental proceeds from furnishing transient accommodations, whichever is higher.

Written comments in support of this measure were submitted by the Mayor of Hawaii County, Mayor of Kauai County, a member of the County Council of Maui, Hawaii Government Employees Association, Maui Hotel & Lodging, and one concerned individual. The Waikiki Beach Marriot, Maui Vacation Properties, Maui Vacation Rental Association, Napili Kai Beach Resort, and two concerned individuals submitted written comments in opposition. The Governor, Department of Taxation, Hawaii Tourism Authority, a member of the County Council of Maui, Tax Foundation of Hawaii, and one concerned individual submitted comments. Written comments may be reviewed on the Legislature's website.

Your Committee has amended this measure by:

- (1) Deleting the flat rate assessment of \$8 per day for the transient accommodations tax; and
- (2) Reducing the cap on annual lump sum transfer of the tax revenues to the counties to \$50,000,000.

Your Committee finds that this measure strikes an appropriate balance between assisting the counties to maintain infrastructure and services that support Hawaii's tourism industry and the need to address the shortfall in 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. 2598, 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. 2598, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8; Ayes with Reservations (Chun Oakland, Fukunaga). Noes, 3 (English, Hooser, Tsutsui). Excused, 1 (Hee).

**SCRep. 3023 (Majority) Ways and Means on H.B. No. 2984**

The purpose of this measure is to extend the tax credit for research activities from December 31, 2010, to December 31, 2011.

The measure also provides that the extension of the tax credit is contingent upon the passage of the final senate drafts of either House Bill No. 2877 or House Bill No. 2962, or both, by both houses of the Legislature.

Your Committee received written comments in support of this measure from the Chamber of Commerce of Hawaii. The Hawaii Science and Technology Council and the Tax Foundation of Hawaii submitted comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that questions have been raised as to whether the tax incentives provided by the technology infrastructure renovation tax credit and the high technology business investment tax credit have resulted in substantial new employment or on-going enterprises. Your Committee also finds that, given the current economic downturn, these tax credits have caused a significant tax burden that has been shouldered by all taxpayers.

Accordingly, your Committee has amended this measure by:

- (1) Repealing the technology infrastructure renovation tax credit and the high technology business investment tax credit; and
- (2) Deleting the contingency provisions and 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2984, 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. 2984, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Fukunaga). Excused, 1 (Hee).

**SCRep. 3024 (Majority) Ways and Means on H.B. No. 2962**

The purpose of this measure is to amend Hawaii's general excise and use tax laws to allow Hawaii to participate in the national Streamlined Sales and Use Tax Agreement.

Your Committee received comments in support of this measure from the Hawaii Association of Realtors, the Hawaii Government Employees Association, the Retail Merchants of Hawaii, and one concerned individual. Your Committee received comments in opposition to this measure from the Department of Taxation. The Tax Foundation of Hawaii submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that in 2008, an estimated \$245,500,000 in use taxes went uncollected by Hawaii. The adoption of the Streamlined Sales Tax and Use Agreement would allow Hawaii to capture some of this uncollected tax from the other twenty-three states that participate in the agreement. To participate in, and conform to the Streamlined Sales and Use Tax Agreement, would require Hawaii to amend its general excise and use tax laws and adopt a single tax rate. Participation in this national agreement would allow Hawaii to more effectively collect the use tax on out-of-state purchases, such as those made over the Internet. This measure would enable local businesses to compete more effectively with out-of-state sellers that, for the most part, do not collect and remit the Hawaii use tax. Your Committee also finds that the collection of the use tax on out-of-state purchases would provide an additional source of tax revenue for the State, which is especially significant during the current budgetary crisis.

Your Committee has amended this measure by:

- (1) Temporarily disallowing tax liabilities from being reduced by tax credits under the Technology Infrastructure Renovation Tax Credit and High Technology Business Investment Tax Credit; and
- (2) Changing the effective date to July 1, 2050, to encourage 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 H.B. No. 2962, 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. 2962, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9; Ayes with Reservations (Chun Oakland, English, Galuteria, Hooser). Noes, 2 (Fukunaga, Hemmings). Excused, 1 (Hee).

**SCRep. 3025 Ways and Means on H.B. No. 2832**

The purpose of this measure is to require the Taro Security and Purity Task Force to implement the recommendations of its report submitted to the Legislature prior to the 2010 regular session.

This measure would also require the Taro Security and Purity Task Force to submit a preliminary and final report on the implementation of those recommendations prior to the 2014 and 2015 regular sessions, respectively.

Your Committee received comments in support of this measure from the Taro Security and Purity Task Force and two concerned individuals. One concerned individual submitted comments. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the work of the Taro Security and Purity Task Force is vital to the taro industry. Prior to the 2010 regular session, the Taro Security and Purity Task Force submitted recommendations to the Legislature to address the challenges facing taro, taro farmers, and taro markets. Your Committee believes that the next step must be taken by the task force to implement these recommendations to sustain and further develop the taro industry in the State.

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 changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2832, 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. 2832, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 3026 Ways and Means on H.B. No. 2604**

The purpose of this measure is to extend the term of a commercial driver's license from six years to eight years for persons between twenty-one and seventy-one years of age.

The measure also appropriates \$8,000 out of the state highway fund to implement the extension.

Your Committee received comments in support of this measure from the Department of Transportation and the Department of Customer Services, City and County of Honolulu. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure prepares the State for the federal Real ID Act, a nationwide effort to improve the integrity and security of state-issued driver licenses and identification cards. This Measure will also provide more uniformity among various official state identification cards.

Your Committee amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2604, 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. 2604, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 3027 Ways and Means on H.B. No. 2643**

The purpose of this measure is to establish a clean energy bond loan program to finance renewable energy systems and energy efficiency improvements on residential and commercial properties.

Specifically, this measure authorizes the State to issue general obligation bonds, the proceeds of which are to be deposited into a revolving fund. Furthermore, this measure authorizes the Department of Business, Economic Development, and Tourism to make loans to commercial and residential property owners for the installation of renewable energy and energy-efficient systems on their property in participating counties. This measure further requires the participating counties to levy special assessments on the improved property and to remit the moneys to the revolving fund for the repayment of the loans and consequently the bonds as well.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that the clean energy bond program provides an innovative form of financing to encourage residential and commercial property owners to install renewable energy systems and energy efficiency improvements on their property, which will in turn help the State reach its energy efficiency and clean energy goals. Your Committee further finds that for residential and commercial property owners, the financial savings resulting from the clean energy improvements on their property are expected to offset the additional costs of the special assessments levied on that property.

Your Committee has amended this measure by:

- (1) Changing the type of bond authorized for issuance from general obligation bonds to revenue bonds, which, like general obligation bonds, are exempt from state taxes;
- (2) Changing the bond appropriation amount to an unspecified sum; and
- (3) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2643, 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. 2643, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3028 (Majority) Ways and Means on H.B. No. 2644**

The purpose of this measure is to apply the existing solid waste management surcharge to disposal at waste-to-energy facilities in the State or waste that is transferred to solid waste reduction facilities for disposal in a landfill, incineration facility, or waste-to-energy facility outside the State.

Written comments may be reviewed on the Legislature's website.

Your Committee finds that many of the State's landfills are at or near capacity, requiring the expansion of existing landfills and the transfer of solid waste to out-of-state disposal facilities. Your Committee also finds that to meet demands of waste disposal in the State, there are plans to expand or create new waste-to-energy facilities in the State. Your Committee notes that the surcharge is presently not applied to persons or entities disposing of solid waste at permitted or unpermitted solid waste disposal facilities in the State. Your Committee believes that, as a matter of equity, operations that either dispose of solid waste at a waste-to-energy facility in the State or transfer waste for disposal outside of the State should be similarly assessed the solid waste management surcharge.

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 changes 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. 2644, 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. 2644, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 3029 (Majority) Ways and Means on H.B. No. 2688**

The purpose of this measure is to change the name of the environmental health education fund to the sanitation and environmental health special fund and allow the use of the fund for sanitation branch activities.

Specifically, this measure:

- (1) Allows moneys in the special fund be used to conduct program activities and functions of the sanitation branch, including permit issuance, inspections, and enforcement;
- (2) Increases the cap on annual fund administration expenses from \$90,000 to \$140,000; and
- (3) Increases from \$300,000 to \$2,445,000, the ceiling of the special fund above which amounts must be transferred to the general fund.

Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Department of Health to address the crisis in the shortage of food safety employees and inspectors in the State.

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

- (1) Changing the ceiling on the sanitation and environmental health special fund to \$1,500,000;
- (2) Inserting language to allow moneys in the special fund to be used to hire additional sanitation branch inspectors;
- (3) Changing the effective date to July 1, 2050, to promote further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2688, 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. 2688, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 3030 Ways and Means on H.B. No. 2831**

The purpose of this measure is to authorize the Natural Energy Laboratory Authority of Hawaii to acquire, hold, and sell qualified securities subject to certain conditions and to accept monetary donations, property, and services from government agencies, corporations, or individuals.

Additionally, this measure defines the term "qualified security" and requires the Natural Energy Laboratory Authority of Hawaii to include information relating to qualified securities and the acceptance of monetary donations in the Authority's annual report.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Natural Energy Laboratory Authority of Hawaii has been offered equity securities from tenants and investors in exchange for leases of property under the control of the Authority. However, the Attorney General has informed the Authority that it does not have the statutory authority to accept or hold any equity securities and could be subject to lawsuit. This measure will expand the ability of the Natural Energy Laboratory Authority of Hawaii to conduct business with tenants, potential investors, and donors by authorizing the Authority to accept and use qualified securities, donations, or other monetary awards.

Your Committee has 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. 2831, 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. 2831, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3031 Ways and Means on H.B. No. 2783**

The purpose of this measure is to provide a permanent general excise tax exemption for: condominium common expenses paid by managers, submanagers, and suboperators; and hotel employee expenses paid by hotel operators and timeshare projects.

The measure also clarifies that the cap on the general excise tax exemption for amounts received in certain hotel and timeshare transactions under Act 239, Session Laws of Hawaii 2007, refers to the aggregate amount of tax exempted and not to gross receipts.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that making these general excise tax exemptions permanent removes disincentives for owners to pay higher wages, provide higher levels of employee benefits, and employ the services of local operators and vendors.

Your Committee has amended this measure by changing the effective date to January 1, 2020, 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 H.B. No. 2783, 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. 2783, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 3032 (Majority) Ways and Means on H.B. No. 2087**

The purpose of this measure is to ensure that health plans contracted with the State to provide services under the State's medicaid program are paid in a timely manner.

Specifically, this measure:

- (1) Requires the State to pay these health plans according to the terms of the contract or, in the absence of terms addressing timeliness, to pay within the first fifteen days of each month but no later than the last day of each month;
- (2) Except under certain circumstances, mandates the State to pay fifteen per cent interest on amounts unpaid;
- (3) Automatically suspends the accrual of interest if an entity's failure to timely pay a claim is due to late payment to the entity by the state or federal government for services provided to beneficiaries of a government program;
- (4) Removes the exemption of medicaid and medigap claims from the definition of "clean claim" to facilitate timely payments; and
- (5) With respect to funding issues:
  - (A) Appropriates an unspecified amount from the hurricane reserve trust fund for fiscal year 2010-2011 to address the medicaid shortfall, including but not limited to reducing the number of months in the delay of payments to plans and the providers of health care services, providing medicaid coverage to Compact of Free Association migrants, and addressing the increase in medicaid enrollment;
  - (B) Authorizes the Department of Human Services to expend up to an unspecified amount for fiscal year 2010-2011 in matching federal funds acquired through the American Recovery and Reinvestment Act for the purposes of this measure; and
  - (C) If the federal government extends the enhanced federal medicaid assistance percentages funds, authorizes the Department of Human Services to expend unspecified amounts:
    - (i) Appropriated from the hurricane reserve trust fund; and
    - (ii) In matching federal funds provided through the American Recovery and Reinvestment Act.

Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that many health care plans and providers are experiencing financial hardship due to abnormally long delays in receiving payment from the State. In view of the federal government's current advantageous matching of \$2 for every \$1 of state funds spent, your Committee believes that withdrawing moneys from the hurricane reserve trust fund in order to draw down the federal matching funds is an appropriate strategy at this time.

Your Committee has amended this measure by:

- (1) Inserting language in the purpose section that the Legislature acknowledges that the outdated payment methodology used by the Department of Human Services does not comply with national coding standards and that certain claims can only be processed manually, in which case it is not the Legislature's intent to penalize those plans that must manually process claims for reasons beyond their control;
- (2) Including in the definition of "clean claim" any claim that requires manual processing because the claim does not comply with the most recent national coding standards;
- (3) Changing the effective date to July 1, 2010; provided that the definition of "clean claim", as amended by section 4 of the measure, takes effect on January 1, 2011; and
- (4) Making technical amendments to conform to standard 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 H.B. No. 2087, 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. 2087, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 3033 (Majority) Ways and Means on H.B. No. 2774**

The purpose of this measure is to maintain the level of services in programs administered by the Department of Human Services.

Specifically, this measure:

- (1) Requires contracts between the Department of Human Services and managed-care organizations for the provision of medicaid benefits under QUEST plans to contain specific provisions relating to copayment limitations, prescription drug formularies, and medical necessity coverage;
- (2) Requires QUEST, QUEST Expanded Access, and certain fee-for-service programs to provide for patients' continued access to certain antidepressant and anti-anxiety medications under certain circumstances;
- (3) Allows the Department of Human Services to issue death benefits in an amount equal to the Social Security Administration's lump-sum death benefit for qualifying individuals; and
- (4) Prohibits the Department of Human Services from expending moneys from the medicaid budget for purposes or programs that have not been specifically authorized by the Legislature.

Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State's economic difficulties threaten the provision of human services under many state programs. Your Committee finds that, despite budget cuts and realignments, it is important to maintain the level of services that are provided to the neediest populations in the State. Your Committee further finds that it is equally important to ensure that moneys allocated for medicaid programs are used only for these programs and not diverted to non-medicaid programs.

Your Committee has amended this measure by 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. 2774, 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. 2774, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 3034 Ways and Means on H.B. No. 1901**

The purpose of this measure is to establish an alternative public procurement process for the procurement of voting system equipment.

Written comments received by your Committee may be reviewed on the Legislature's website.

Your Committee finds that the procurement of voting system equipment is different from the procurement of other goods and services because of the limited number of companies that specialize in voting system equipment. Your Committee also finds that this limited market creates intense competition and increases the frequency of protests and appeals during the procurement process, which ultimately delays the procurement of voting system equipment. Your Committee notes that this measure is effective upon approval and will be repealed on June 30, 2011. Your Committee believes that the limited time period during which this measure is effective will provide a sufficient opportunity to test the alternative public procurement process for the procurement of voting system equipment for the 2010 primary and general elections.

Your Committee 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. 1901, 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. 1901, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Hooser). Noes, none. Excused, 1 (Hee).

**SCRep. 3035 Ways and Means on H.B. No. 2692**

The purpose of this measure is to require the Director of Civil Defense to prepare a disaster preparedness plan for the forty-fourth and forty-fifth House of Representatives districts on the leeward coast of Oahu.

This measure also requires the Director of Civil Defense to report the Director's findings and recommendations, including costs, to the Legislature no later than twenty days prior to the convening of the 2011 Regular Session.

The written comments received by your Committee may be reviewed on the Legislature's website.

Your Committee finds that the leeward coast of Oahu is only accessible by way of Farrington Highway. When the highway is closed due to traffic accidents or other incidents, the lives of tens of thousands of Oahu residents are disrupted. Your Committee finds that a major disaster that closes Farrington Highway for an extended period of time, would create a multitude of problems, severely impacting the health, safety, and welfare of several leeward communities. Further, your Committee finds that for these reasons, the development of a disaster preparedness plan is especially important to communities in the forty-fourth and forty-fifth House of Representatives Districts and will serve as a valuable model in the future expansion of the disaster preparedness plan for the State.

Your Committee has amended this measure by:

- (1) Clarifying that the Director of Civil Defense is required to work with county civil defense agencies to prepare the disaster preparedness plan;

- (2) Changing the effective date to July 1, 2055, to facilitate further discussion on this 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 H.B. No. 2692, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2692, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3036 Ways and Means on H.B. No. 2698**

The purpose of this measure is to promote telework and the expansion of broadband services in the State.

More specifically, this measure:

- (1) Requires the Director of Commerce and Consumer Affairs, in conjunction with expanded digital cable programming and services, to promote telework and affordable and accessible broadband services in the State;
- (2) Establishes the telework promotion and broadband assistance advisory council to promote telework alternatives and broadband development in the State;
- (3) Requires the Director of Commerce and Consumer Affairs to establish a working group to develop procedures for streamlined permitting functions for the purpose of developing broadband services; and
- (4) Requires the Department of Commerce and Consumer Affairs to annually report to the Legislature on the receipt and expenditure of federal appropriations for the purpose of purchasing broadband facilities, services, or equipment or for entering into contracts for any broadband related projects.

The Department of Commerce and Consumer Affairs and the High Technology Development Corporation submitted comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that broadband technology is vital to making Hawaii a global technology leader. The expansion of broadband services not only provides high-speed internet access, but also makes it possible to link global financial institutions, transfer large amounts of data, encourage the use of telework and telemedicine, and promote new communication tools and services.

Your Committee further finds that telework will create efficiency in the workforce by reducing travel and commuting times, reducing the need for physical office space, and allowing flexible schedules for employees in the public and private sectors. Your Committee believes that this measure will promote the expansion of broadband and telework opportunities in the State.

Your Committee has amended this measure by:

- (1) Amending the title of the new section being added to Chapter 440G, Hawaii Revised Statutes, to include the term "broadband";
- (2) Authorizing the Director of Commerce and Consumer Affairs to appoint staff exempt from civil service for the purpose of carrying out the Director's telework and broadband requirements prescribed under the measure;
- (3) Changing the composition of the Telework Promotion and Broadband Assistance Advisory Council to include the Administrator of the Cable Television Division, with the Administrator serving as chairperson of the council;
- (4) Requiring the Administrator of the Cable Television Division, instead of the Director of Commerce and Consumer Affairs, to convene and serve on the work group that will develop procedures for streamlining government permitting functions for the development of broadband services; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2698, 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. 2698, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3037 (Majority) Ways and Means on H.B. No. 2306**

The purpose of this measure is to adjust the compensation of the Superintendent of Education and State Librarian by authorizing the Board of Education to grant annual performance-based bonuses.

More specifically, this measure provides that:

- (1) The amount of the annual performance-based bonus for the Superintendent of Education is based upon evaluation criteria established by the Board of Education; provided that the amount does not exceed fifty per cent of the Superintendent's annual salary; and
- (2) The amount of the annual performance-based bonus for the State Librarian is based upon an annual evaluation of outcomes to be established through contract negotiations between the Board of Education and the State Librarian; provided that the amount of the bonus does not exceed twenty-five per cent of the State Librarian's annual salary.

Written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will provide the Board of Education with the authority it needs to attract and retain individuals to support a strong public school and public library system. Your Committee also finds that given the current economic downturn, it is economically prudent to reduce the terms of service for principals and vice principals.

Accordingly, your Committee has amended this measure by adding a provision shortening the terms of service for principals and vice principals from twelve months to ten months.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2306, 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. 2306, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Hemmings). Excused, 1 (Hee).

**SCRep. 3038 Ways and Means on H.B. No. 2923**

The purpose of this measure is to establish procedures regarding the leasing of Hawaiian home lands for commercial or multipurpose projects.

More specifically, this measure:

- (1) Directs the Department of Hawaiian Home Lands to establish a process for consulting with beneficiaries prior to awarding leases for commercial and multipurpose projects;
- (2) Authorizes the one-time extension of commercial and multipurpose project leases for up to twenty years;
- (3) Sets aside twenty per cent of all revenues from commercial and multipurpose leases to be deposited into the native Hawaiian rehabilitation fund; and
- (4) Requires annual reports to the Legislature and United States Department of the Interior regarding leases of available lands for commercial and multipurpose projects.

Any written comments submitted regarding the measure may be reviewed on the Legislature's website.

Your Committee finds that pursuant to section 101, Hawaiian Homes Commission Act, 1920, as amended, the Hawaiian home lands are intended to establish "a permanent land base for the benefit and use of native Hawaiians, upon which they may live, farm, ranch, and otherwise engage in commercial or industrial or any other activities as authorized in this Act." Your Committee also finds that commercial projects intended to raise revenue for the benefit of native Hawaiians sometimes result in short- and long-term negative consequences for the beneficiaries that are not adequately addressed. Your Committee further finds that this measure will help to ensure that native Hawaiians, either directly or through native Hawaiian community organizations, will benefit from commercial and multipurpose projects.

Your Committee has amended this measure by:

- (1) Correcting a citation to refer to the Hawaiian Homes Commission Act, rather than the Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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 H.B. No. 2923, 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. 2923, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3039 Commerce and Consumer Protection on H.B. No. 2083**

The purpose of this measure is to require milk beverages containing one hundred per cent by weight of milk or soy milk distributed or offered for sale in this State to be labeled with the date the contents were pasteurized or packaged for distribution or sale.

Your Committee received testimony in support of this measure from the Hawaii Teamsters Local 996. Testimony in opposition to this measure was submitted by the Department of Health and the Department of Agriculture. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that knowing the age of food, including milk, is an integral part of being an informed consumer and is consistent with our island fresh campaign to encourage consumers to support local farmers.

Your Committee has amended this measure by:

- (1) Adding a purpose section to clarify the intent of this measure;
- (2) Removing references to soy milk;
- (3) Placing the new section in chapter 321, Hawaii Revised Statutes, rather than chapter 486, Hawaii Revised Statutes, so that the Department of Health rather than the Department of Agriculture administers the labeling requirement;
- (4) Applying the labeling requirement to milk pasteurized in Hawaii; and
- (5) Changing the effective date of this measure to January 1, 2011.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2083, 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. 2083, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Green). Noes, none. Excused, 3 (Hemmings, Ihara, Sakamoto).

**SCRep. 3040      Judiciary and Government Operations on H.B. No. 2086**

The purpose of this measure is to allow clinical laboratory test results to be provided to authorized persons or any covered entity, as defined under 45 Code of Federal Regulations Section 160.103, for any purpose permitted under the Health Insurance Portability and Accountability Act of 1996, P.L. 104-191.

Written comments in support of the measure were submitted by the Hawaii Medical Service Association (HMSA). Written comments regarding the measure were submitted by two private organizations. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the intent of this measure is to extend the types of persons with whom patient clinical laboratory test results may be shared. Currently, these types of test results may only be disclosed to "authorized persons" or their designees", under the governing Hawaii Administrative Rules. By passing this measure, patients utilizing medical programs such as HMSA's Online Care program will benefit, as these tests results may be made available to physicians assisting patients using this program to make appropriate diagnoses.

Your Committee has amended this measure by:

- (1) Deleting section 1 of the measure, which contained a description of the purpose of the measure; and
- (2) Making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2086, 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. 2086, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 3041      (Majority) Judiciary and Government Operations on H.B. No. 2376**

The purpose of this measure is to amend the Hawaii State Constitution to provide for a Board of Education (Board) whose voting members will be appointed by the Governor, with the advice and consent of the Senate, from pools of qualified candidates presented to the Governor by the Board of Education Candidate Nomination Commission.

Written comments in support of the measure were submitted by one private organization and one individual. Written comments in opposition to the measure were submitted by the Administration and the Board. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, currently, the Board is tasked with the responsibility for the planning and policymaking for public schools within the State. These policies include minimum instruction time; criteria for hiring, licensing, training, evaluating, and rewarding teachers and principals; standards, assessments, and curriculum; and the manner in which resources are distributed among schools. These responsibilities are immense, particularly during times such as the present when resources for the State are limited. Changing the Board from an elected board to an appointed board may result in more cohesive decisionmaking among the interested stakeholders to resolve these difficulties.

Your Committee notes, however, that comments received also expressed the dual concerns of the accountability and the independence of the Board, should members of the Board be appointed by the Governor rather than elected. Further, the process of selecting Board members may become more opaque as prospective members would be initially selected by the Board of Education Candidate Nomination Commission.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to facilitate further discussion regarding these concerns.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2376, 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. 2376, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Nishihara, Takamine, Taniguchi). Noes, 1 (Slom). Excused, 2 (Bunda, Gabbard).

**SCRep. 3042      (Majority) Judiciary and Government Operations on H.B. No. 347**

The purpose of this measure is to provide certain exemptions for the University of Hawaii or the Board of Regents of the University of Hawaii (collectively, the University) from the Hawaii Public Procurement Code, chapter 103D, Hawaii Revised Statutes, by:

- (1) Increasing the small purchases ceiling in section 103D-305, Hawaii Revised Statutes from \$50,000 to \$250,000;
- (2) Requiring the University to implement an electronic procurement system for procurements of less than \$25,000; and
- (3) Exempting the University from bid protests and hearings provisions under sections 103D-701 and 103D-709, Hawaii Revised Statutes.



Written comments in support of the measure were submitted by the University and one individual. Written comments in opposition to the measure were submitted by the State Procurement Office and one private organization. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the intent of this measure is to assist the University in implementing much needed deferred maintenance and capital renewal projects on all of their campuses more quickly, by shortening delays in the contracting and procurement process. The University submitted testimony indicating that it has a deferred maintenance backlog in excess of \$350,000,000, the projects for which are already identified, involve little in the way of permitting, and are ready to launch quickly, thus putting Hawaii's construction workers to work.

Your Committee has amended this measure by:

- (1) Deleting sections 1 and 4 of the measure, because Act 175, Session Laws of Hawaii 2009 (Act 175), has already temporarily increased the small purchases ceiling in section 103D-305, Hawaii Revised Statutes, from \$50,000 to \$100,000 for goods or services and \$250,000 for construction procurements;
- (2) Retaining the sunset date of July 1, 2012, for the measure, which will essentially institute a two-year pilot program;
- (3) Inserting an effective date of July 1, 2050, to ensure further discussion; and
- (4) Making technical, nonsubstantive changes for purposes of consistency and integration with the provisions of and amendments to the Hawaii Revised Statutes as enacted under Act 175.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 347, 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. 347, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 3043 (Joint) Judiciary and Government Operations and Ways and Means on H.B. No. 921**

The purpose of this measure is to:

- (1) Permit the Department of Hawaiian Home Lands to negotiate lease terms beyond sixty-five years and provide a right of first refusal to previous lessees; and
- (2) Prohibit the sale or transfer of ceded lands until the unrelinquished claims of the native Hawaiian people are resolved or reconciliation between the State and the native Hawaiian people is no longer supported, whichever occurs first.

Testimony in support of the measure was submitted by one state agency. One state agency submitted comments, and one state agency submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees have amended this measure by replacing its contents with the contents of H.B. No. 921, H.D. 1, which allows 999-year homestead leases to be assigned to land trusts that are created for purposes of managing and holding the homestead leasehold estate for the benefit of the lessee and the lessee's family members.

By 1901, seven hundred and fifty homestead leases for 999 years had been awarded, and by 1994, only fifty-one remained. The majority of these leaseholds belong to native Hawaiian families, many of whom are struggling with the many challenges presented by this unique, complex, and rather confusing leasehold system. Your Committees find that this measure provides an additional option for lessee families, which has the potential to assist families in cooperatively addressing serious problems that exist with the leaseholds.

The two main problems faced by lessee families are successorship and the financial challenges. Under the original lease program established in 1900, successorship was predetermined by law. When a lessee died, the lease automatically passed to his or her spouse, and then to all of the children of the new lessee, with right of survivorship. This meant that the last surviving sibling inherited the lease, which then passed to that person's children, and so on. As no one knew who the last survivor would be, this laid the groundwork for some families to experience very serious conflict within the family. In order to address this problem, many families drafted quit-claim deeds that served to voluntarily place the lease with a person of the whole family's choosing. These deeds were commonly stamped and filed by the Department of Land and Natural Resources, and families have presumed them valid for generations. Some of these transfers were confirmed in probate. However, no actual new lease documents were issued, and the Attorney General's office has recently opined that the successor under the original statute's structure may in fact be able to attempt to assert a claim to the lease. The resulting potential for conflict is alarming, particularly in consideration of other lease requirements (such as continuous occupancy) that the non-resident claimant would not meet, and issues over houses or other improvements built by the resident. In other words, any attempt to assert a claim from outside could result in a drawn-out court battle that could go on for years with no one winning, while draining the family's resources and possibly putting the lease itself in jeopardy. The law changed in 2000 to standard intestate succession, and assignment was allowed. While the change was helpful in some ways, one side effect was the additional complexity of there being two sets of rules. A detailed timeline, along with a thorough knowledge of the issues involved, is often needed in order to understand the situation.

Additionally, the financial concern for the families is that there is no way to secure a loan on these properties. For this reason many houses are substandard or in very serious disrepair. Some families have engaged in alternative financing strategies increasing the family's debt burden. Family conflict is often exacerbated by the financial pressure involved. Taxes are charged at the same rate as surrounding properties, at full market value, and this causes an extreme burden, especially for families on a sustenance-based lifestyle who live in areas of high-level development. The original intent of the lease program was to enable subsistence farming. Some of the families have continued the practice, at least to some degree, and live closely with the land. For this reason, it is especially difficult for

them to meet the financial challenges presented by the situation. Your Committees hope this measure will help these families resolve some of these complex issues.

As affirmed by the records of votes of the members of your Committees on Judiciary and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 921, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 921, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 3 (Bunda, English, Slom).

**SCRep. 3044 Judiciary and Government Operations on H.B. No. 1987**

The purpose of this measure is to:

- (1) Establish a cause of action to abate the illegal purchasing, selling, possession, setting off, igniting, or discharging of fireworks;
- (2) Authorize a court to order the closure of any place used in violation of the fireworks-related offenses contained in section 132D-14(a)(1) or (3), Hawaii Revised Statutes; and
- (3) Authorize the forfeiture of property used in violation of the fireworks-related offenses contained in section 132D-14(a)(1) or (3), Hawaii Revised Statutes.

Written comments in support of the measure, with suggested amendments, were submitted by one private organization. Written comments in support of the intent of the measure were submitted by one private organization. Written comments regarding the measure were submitted by two state agencies and one county agency. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that increasing the penalties for violations of existing fireworks-related laws under chapter 132D, Hawaii Revised Statutes, may serve to curb rampant illegal fireworks in Hawaii. Your Committee is particularly concerned about the importation of illegal fireworks, including closing any loopholes regarding importation that may exist in existing fireworks-related laws.

As such, your Committee was considering inserting language in the measure requiring the inspection of all shipping containers manifested as containing fireworks. The Department of Transportation expressed concerns to prior subject matter committees that first, it does not have the authority to open and inspect sealed containers because the inspection of foreign containers falls within federal jurisdiction, and second, although the county fire departments have the authority pursuant to section 132D-8.6, Hawaii Revised Statutes, to inspect containers landed in Hawaii that manifest fireworks or pyrotechnics, it is currently very difficult for the fire departments to enforce the requirement that all fireworks designated for commercial displays are to be used for permitted purposes only. Although this proposal may not be feasible at this time, your Committee will continue to search for a means to stop illegal fireworks from reaching the general public.

Your Committee has amended this measure by:

- (1) Revising the definition of "import" to include fireworks that are labeled or designated as samples, even if not intended for retail sale, in order to ensure that all imported fireworks are subject to importation provisions;
- (2) Inserting an effective date of September 14, 2047, to facilitate further discussion; and
- (3) Making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1987, 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. 1987, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 3045 (Majority) Ways and Means on H.B. No. 2421**

The purpose of this measure is to promote economic development for Hawaii's locally-produced food and energy industries, encourage food and energy self sufficiency, and address environmental concerns relating to climate change.

Specifically, this measure:

- (1) Removes the cap on the balance in the environmental response revolving fund;
- (2) Renames the "environmental response tax" the "environmental response, energy, and food security tax" and increases the amount of the tax from 5 cents to \$1.05 per barrel of petroleum product;
- (3) Exempts aviation fuel from the environmental response, energy, and food security tax;
- (4) Allocates moneys collected by the environmental response, energy, and food security tax to the environmental response revolving fund, the energy security special fund, the energy systems development special fund, and the agricultural development and food security special fund;
- (5) Authorizes expenditures from the energy security special fund to meet objectives of the Hawaii Clean Energy Initiative Program including providing support for the Greenhouse Gas Emissions Reduction Task Force and Climate Change Task Force and funding grants-in-aid to the economic development boards and economic development agencies of each county;

- (6) Requires the Department of Business, Economic Development, and Tourism to report annually to the Legislature on uses of the energy security special fund;
- (7) Establishes the Hawaii Economic Development Task Force to facilitate the adoption and completion of renewable energy projects, energy efficiency programs, and agricultural infrastructure and development and appropriates an unspecified amount from the energy security special fund to support the task force;
- (8) Establishes the agricultural development and food security special fund;
- (9) Appropriates unspecified amounts from the agricultural development and food security special fund for various agricultural development and pest control projects;
- (10) Establishes the Hawaii Clean Energy Initiative Program to manage the State's transition to a clean energy economy, by administering various energy development projects;
- (11) Appropriates an unspecified amount from the energy security special fund for the Climate Change Task Force and the Greenhouse Gas Emissions Reduction Task Force;
- (12) Authorizes the Governor to establish positions necessary to manage energy projects funded by federal grants;
- (13) Authorizes the Director of Finance to make a one-time transfer of \$10,000,000 from the energy security special fund to the general fund, provided that \$1,000,000 of that amount is used to fund agricultural inspectors at the Department of Agriculture;
- (14) Effective June 30, 2015, repeals amendments made relating to the environmental response revolving fund; energy security special fund; the environmental response, energy, and food security tax per barrel amount, the allocations of the tax, and the exemption of aviation fuel from the tax; and the establishment and uses of the agricultural development and food security special fund; and
- (15) Provides for unexpended moneys remaining in the agricultural development and food security special fund upon its repeal, to lapse to the credit of the general fund.

Comments in support of this measure were submitted by The Nature Conservancy and fourteen concerned individuals. Comments in opposition to this measure were submitted by the Department of Taxation. The Department of Budget and Finance submitted comments. The written comments may be reviewed on the Legislature's website.

Your Committee finds that Hawaii's dependence on imported fuel and food threatens the economy of the State by making it susceptible to unpredictable market fluctuations in the price of these commodities. It is therefore important that Hawaii develop a degree of self sufficiency in both its food and energy supplies. Your Committee finds that increasing the per barrel amount of the environmental response tax and broadening the authorized uses of those revenues can help fund many projects and initiatives that will increase the development of locally produced energy resources and help support the growth of the domestic agriculture industry. Furthermore, your Committee finds that moneys collected by the tax are well spent to defend Hawaii's agriculture and natural environment from invasive species, by funding pest eradication programs and the agriculture inspection program.

Your Committee has amended this measure as follows:

- (1) Increasing the amount of the environmental response, energy, and food security tax to \$1.55 per barrel of petroleum product;
- (2) Allocating portions of the amounts collected by the environmental response, energy, and food security tax as follows:
  - (A) 5 cents to the environmental response revolving fund;
  - (B) 10 cents to the energy security special fund;
  - (C) 10 cents to the energy systems development special fund; and
  - (D) 30 cents to the agricultural development and food security special fund;
- (3) Authorizing the expenditure of moneys from the agricultural development and food security special fund to fund agricultural inspectors at the Department of Agriculture and appropriating an unspecified amount for this purpose;
- (4) Deleting the provision for a one-time transfer of \$10,000,000 from the energy security special fund to the general fund, and the provision of \$1,000,000 of that transfer to be allocated to fund agricultural inspectors within the Department of Agriculture; and
- (5) Authorizing the Department of Business, Economic Development, and Tourism to fund staff positions within its Energy Division using moneys from the energy security special 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. 2421, 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. 2421, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Hemmings). Excused, 1 (Fukunaga).

**SCRep. 3046 Ways and Means on H.B. No. 2595**

The purpose of this measure is to strengthen and improve the efficiency of the general excise tax by providing stricter regulation of taxpayers that claim a general excise tax benefit, including exemptions, deductions, lower rates, or income splitting.

The measure also:

- (1) Creates a trust fund liability for taxes collected by a business, regardless of whether the amount is separately stated;
- (2) Designates an officer, member, manager, or other person having control, supervision, responsibility, or a duty to act for the taxpayer regarding general excise tax return filing or payment, who shall be personally liable for the unpaid amount of the taxes collected and held in trust, plus interest and penalties; and
- (3) Requires the Department of Taxation to conduct periodic reviews of all housing projects for which a claimant has received a general excise tax exemption.

Your Committee received comments in support of the measure from the Department of Taxation. The Department of the Attorney General and the Hawaii Association of Realtors submitted comments. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that requiring businesses that are exempt from the general excise tax to comply with all administrative requirements of the Department of Taxation necessary to maintain their exempt status will greatly assist in the administration of the general excise tax. Furthermore, this measure will help to ensure that the general excise tax that is passed on by a business to consumers will actually be paid by the business. Your Committee finds that this measure will restore efficiency and fairness in the administration of Hawaii's general excise tax without increasing the tax rate, repealing exemptions, or placing additional unreasonable burdens on businesses.

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

- (1) Adding two new sections that amend sections 46-15.1 and 201H-36, Hawaii Revised Statutes, to require taxpayers to provide certain information relating to claims for credits or exemptions from the general excise tax to the Department of Hawaiian Home Lands and the Hawaii Housing Finance and Development Corporation, respectively;
- (2) Requiring a taxpayer to consent to public disclosure of the information as a condition of claiming a credit or exemption from general excise tax;
- (3) Requiring the information to be available for public inspection and dissemination under chapter 92, Hawaii Revised Statutes;
- (4) Allowing, rather than requiring, the Director of Taxation to conduct periodic reviews of all housing projects for which a claimant has received a general excise tax exemption; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

The written comments may be viewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2595, 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. 2595, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Fukunaga). Noes, none. Excused, 1 (Hee).

**SCRep. 3047 Ways and Means on H.B. No. 2381**

The purpose of this measure is to provide a temporary tax credit for residential construction and remodeling projects.

The measure also requires the Department of Taxation to submit a report to the Legislature that compares the impact on jobs and on the state budget of the following tax credits:

- (1) New construction to residential apartment units and houses;
- (2) Renovations to residential apartment units and houses;
- (3) New construction to hotels and resorts; and
- (4) Renovations to hotels and resorts.

Your Committee received written comments in support of this measure from the Land Use Research Foundation of Hawaii. Written comments in opposition were submitted by the Hawaii Lumber Products Association. The Office of the Governor, the Department of Taxation, The Tax Foundation of Hawaii, and the Building Industry Association of Hawaii submitted comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will help stimulate Hawaii's economy by providing a boost to the State's construction industry. Your Committee also finds that this measure will assist current and prospective homeowners in building or remodeling their homes. The report by the Department of Taxation will help quantify the benefit of the credits and provide information that will help the Legislature determine whether to extend the tax credit for residential construction and remodeling projects.

Your Committee further finds that, in light of the budgetary shortfall, it is appropriate to clarify the requirements for claimants to receive general excise tax exemptions for qualified affordable housing projects.

Your Committee has amended this measure by:

- (1) Adding a new Part I to the measure that:
  - (A) Defines the term "qualified person or firm";
  - (B) Ensures that claimants who receive general excise tax exemptions for qualified affordable housing projects continue to meet all criteria necessary to receive the exemptions;

- (C) Increases the transparency of the process of approving and certifying certain general excise tax exemptions for the development of certain housing projects and rental income from those projects;
  - (D) Adds a residency requirement, with an active military exemption, for households in certain housing projects as a criterion for developers, landlords, or management companies to qualify for a general excise tax exemption; and
  - (E) Amends the method of calculating the gross annual income of households in housing projects that qualify developers, landlords, or management companies for a general excise tax exemption;
- (2) Designating the residential and remodeling tax credit and Department of Taxation reporting requirements as Part II;
  - (3) Clarifying that the tax credit for residential construction and remodeling applies only to costs incurred for plans, design, and construction; 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 H.B. No. 2381, 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. 2381, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hee).

**SCRep. 3048 (Majority) Ways and Means on H.B. No. 2667**

The purpose of this measure is to require the Department of Transportation to conduct a feasibility study on establishing a statewide ferry system to link the islands under a Hawaii State Ferry System Authority.

Your Committee received written comments in opposition to this measure from two concerned individuals. The Department of Transportation submitted comments. The written comments may be reviewed on the Legislature's website.

Your Committee finds that air transportation is currently the only efficient means of travel between the major islands. Your Committee also finds that a natural disaster can cause severe operational disruption for air transportation services in the State. Your Committee believes that a statewide ferry system can serve as an alternative to air transportation by providing an efficient passenger and cargo transportation system, especially during a natural disaster or other emergency.

Your Committee has amended the measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2667, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2667, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6; Ayes with Reservations (Fukunaga, Kokubun). Noes, 5 (Chun Oakland, Galuteria, Hemmings, Hooser, Tsutsui). Excused, 1 (English).

**SCRep. 3049 Judiciary and Government Operations on H.B. No. 2661**

The purpose of this measure is to improve the availability of organ donations by establishing that, when an authorized person other than the decedent approves an anatomical gift of the decedent's body or body parts, only an express statement by a person or persons authorized to amend or revoke the earlier approval will amend or revoke that decision.

Your Committee finds that organ transplants save lives, and, nationally, an average of eighteen people die each day from the lack of available organs for transplant. When a person has not specified that his or her organs may be donated, decisions by relatives regarding whether to donate the person's organs may occur at the emotionally difficult time of the person's impending death. Different relatives or other authorized persons may have conflicting ideas about donation and may not consult with each other regarding this sensitive decision. Your Committee believes that the intent of this measure is to clarify that, under these circumstances, an equivocal statement amending or revoking an earlier approval of an anatomical gift by another relative should not override that earlier, clear approval of the gift.

Your Committee has amended this measure by making technical, nonsubstantive changes to further clarify the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2661, 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. 2661, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 3050 (Joint) Judiciary and Government Operations and Ways and Means on H.B. No. 2631**

The purpose of this measure is to repeal the Petroleum Industry Monitoring, Analysis, and Reporting Program, and its special fund and to reduce the amount of information that refiners and distributors are required to report to the Department of Business, Economic Development, and Tourism on fuel and biofuel imported, exported, sold, transferred, used, refined, manufactured, compounded, and distributed in this State.



Your Committees received written comments in support of the intent of this measure, with suggested amendments, from the Department of Business, Economic Development, and Tourism. Your Committees received written comments in opposition to this measure from the Western States Petroleum Association. The Public Utilities Commission submitted comments regarding this measure. Written comments presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the Petroleum Industry Monitoring, Analysis, and Reporting Program has not revealed any evidence of economic misbehavior in the petroleum market since its inception in 2007 and is unnecessarily burdensome.

Your Committees recognize, however, that continued information collection is essential for consumer protection and for the Energy Resources Coordinator to effectuate statutory functions in chapters 196 and 125C, Hawaii Revised Statutes. Your Committees believe that the scaled back information reporting requirements in this measure will be sufficient to meet those needs.

Your Committees have amended this measure by:

- (1) Making the revisions to the measure recommended by the Department of Business, Economic Development, and Tourism, to facilitate the limited information reporting requirements described above, including the establishment of the energy data collection program;
- (2) Changing its effective date to July 1, 2050 to facilitate further discussion; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Judiciary and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2631, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2631, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.  
Ayes, 15. Noes, none. Excused, 3 (Bunda, English, Slom).

**SCRep. 3051 Ways and Means on H.B. No. 40**

The purpose of this measure is to repeal Act 112, Session Laws of Hawaii 2009, that authorized the issuance of special purpose revenue bonds to assist Carbon Diversion Inc.

Your Committee finds that after the enactment of Act 112, Carbon Diversion Inc. experienced a change in ownership. Your Committee also finds that the United States Securities and Exchange Commission investigated the new owners and subsequently filed a complaint against them in the United States District Court for the District of Colorado. Under these circumstances, your Committee believes that a repeal of the authority to issue special purpose revenue bonds to Carbon Diversion Inc. is warranted.

The written comments may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 40, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3052 Ways and Means on H.B. No. 2497**

The purpose of this measure is to authorize the issuance of \$40,000,000 in special purpose revenue bonds for Carbon Bio-Engineers, Inc., for the development and production of non-fossil fuel energy facilities in the State.

The written comments submitted to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Carbon Bio-Engineers, Inc., is developing cogeneration facilities that produce electricity as a by-product of its proprietary method of processing non-fossil fuel feedstocks into marketable carbon and fuel products. Your Committee further finds that the benefits of cogeneration facilities include the reduction of greenhouse gases, reduction of landfill waste, creation of technical jobs, and the production of renewable energy in the State. Your Committee believes that this measure serves the public interest and will contribute to the State's goal of energy self-sufficiency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2497, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3053 Energy and Environment on Gov. Msg. No. 256**

Recommending that the Senate advise and consent to the nomination of the following:

KAUA'I AQUATIC LIFE AND WILDLIFE ADVISORY COMMITTEE

G.M. No. 256 LOIS FUJISHIGE, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Lois Fujishige to have the necessary qualifications for the Kauai Aquatic Life and Wildlife Advisory Committee.

Testimony in support of the nominee was submitted by one state agency and one county Mayor. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Ms. Fujishige is presently a member of the Kauai Aquatic Life and Wildlife Advisory Committee, and is knowledgeable in the taking and conservation of aquatic life and wildlife. She is an avid game bird and mammal hunter, and enjoys sport fishing, camping, and hiking. Ms. Fujishige has volunteered on various game management projects with the Division of Forestry and Wildlife including the Kauai pheasant release project, annual Kauai game bird surveys, game feeder and game water unit maintenance, and the Kokee Rainbow Trout Fishing Program. She is a member of the Kauai Hunting Association and is Hawaii Hunter Education certified.

Ms. Fujishige has extensive experience hunting and fishing, she salt water fishes for moi, oio, and papio and fresh water fishes for rainbow trout in Kokee State Park. She hunts game birds and mammals using firearms and archery equipment, thus she has a broad understanding of the issues facing hunting and fishing on Kauai. Ms. Fujishige has a strong understanding of the laws protecting Hawaii's natural resources, and she believes it is the shared responsibility of all people to protect these resources. She hopes to continue to work with the Department of Land and Natural Resources to develop new areas for public hunting and fresh water fishing, and to establish new opportunities for youth, elderly, and disabled persons wishing to hunt and fish. Your Committee wants Ms. Fujishige to continue to bring her extensive knowledge and dedication to the Kauai Aquatic Life and Wildlife Advisory Committee.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, 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 (English, Hemmings, Kokubun).

**SCRep. 3054 Higher Education on Gov. Msg. No. 203**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

G.M. No. 203 FLORDELINA B. VILA, for a term to expire 6-30-2013

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Flordelina B. Vila to have the necessary qualifications to be appointed to the Hawaii Commission for National and Community Service.

Testimony in support of the nominee was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Vila currently serves as the community representative on the Hawaii Commission for National and Community Service. She is committed to service within her own community and to serving the Commission, traveling from the island of Lanai to participate in the Commission's meetings. Her priorities for the Commission include wisely distributing grants to organizations that aim to benefit the State, raising awareness of the important of volunteerism, and encouraging others to participate as volunteers.

Ms. Vila earned an Associate degree in Business Administration from Cannon's Business College in Honolulu, Hawaii, and has participated in continuing education courses at Maui Community College. She presently works as a Guest Service Representative at The Lodge at Koele on Lanai. Ms. Vila has a variety of work experiences, serving in the past as a Legislative Aide to the Maui County Council, Educator for the Maui AIDS Foundation, and Assistant to the Controller of Lanai Diversified.

Ms. Vila believes in leading through example by assisting others in need and encouraging others to participate as well. As a current member and Treasurer of the Lanai Filipino Association, she has helped the Association recruit younger generations to join the Association and preserve the Filipino culture. Ms. Vila was previously involved as a volunteer chaperone for the Lanai High School tennis team and the Lanai Youth Center.

Ms. Vila's spirit of volunteerism is one to be emulated. Your Committee finds that Ms. Vila's personal commitment to service is consistent with the goals and duties of the Hawaii Commission for National and Community Service and that she will continue to be a valuable contributor to the Commission and the State.

As affirmed by the record of votes of the members of your Committee on Higher 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 (Baker, Kokubun, Taniguchi).

**SCRep. 3055 Labor on Gov. Msg. Nos. 268 and 298**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 268 CARL W. HINSON, for a term to expire 6-30-2013; and

G.M. No. 298 JEFFREY W. PIONTEK, for a term to expire 6-30-2014

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Carl W. Hinson and Jeffrey W. Piontek to possess the requisite qualifications to be nominated to the Hawaii Workforce Development Council.

Testimony in support of the nomination of Carl W. Hinson was submitted by one state agency, three private organization, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Carl W. Hinson has experienced a long history of success in developing a skilled workforce in the health care industry on the mainland and in Hawaii. For the past five years Mr. Hinson has held the position of Director of Workforce

Development and Human Resources for Hawaii Pacific Health where he has been instrumental in developing a number of programs that enhance employee training, revamping the new-hire orientation process, and creating an internship program for graduating high school students and college students.

The internship program established by Mr. Hinson has had tremendous success for students interested in the health care industry by providing them with a hands-on approach to learning. Specifically, the internship program is a six-week paid position that gives the student the opportunity to experience in-patient pharmacies, imaging departments, emergency operations, and several non-clinical areas.

Testimony in support of the nomination of Jeffrey W. Piontek was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the skills, experiences, and knowledge of Jeffrey W. Piontek are directly aligned with the vision and mission of the Hawai'i Workforce Development Council. Specifically, Mr. Piontek's efforts to enhance the high technology, science, technology, education, and math skills of Hawaii's students over the past five years have helped to produce a workforce that is scientifically and technologically literate.

Your Committee also finds that Mr. Piontek will help the Hawai'i Workforce Development Council grow and become cohesive in preparing tomorrow's decision makers with a skill set that will be needed to solve complex social, economic, political, and ethical problems. Mr. Piontek offers a practical understanding of what employers in the fields of science, technology, and mathematics need in their workforce and he can provide the Hawai'i Workforce Development Council with valuable insight into how to accomplish the task of developing an adequate workforce in those areas.

As affirmed by the records of votes of the members of your Committee on 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 (Bunda, Hee).

**SCRep. 3056 Labor on Gov. Msg. No. 267**

Recommending that the Senate advise and consent to the nomination of the following:

LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD

G.M. No. 267 ROLAND QUOK FONG THOM, for a term to expire 6-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Roland Quok Fong Thom to possess the requisite qualifications to be nominated to the Labor and Industrial Relations Appeals Board.

Testimony in support of the nomination of Roland Quok Fong Thom was submitted by one state agency, one private organization, and twenty individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Roland Quok Fong Thom is currently serving on the Labor and Industrial Relations Appeals Board (Board) in a very conscientious, dedicated, and impartial manner. Your Committee also finds that Mr. Thom has the inherent character traits that affords him the capability to continue his commendable service on the Board for another ten years.

Your Committee further finds that Mr. Thom possesses the requisite temperament and profound knowledge of law that is necessary to diligently adjudicate the appeal cases before the Board in a fair and equitable manner. Mr. Thom has precisely balanced the difficult and often complex appeal perspectives of both employers and individual claimants with a passion that has resulted in widespread respect and admiration from his peers and those who appear before him.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Bunda, Hee).

**SCRep. 3057 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 354**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 354 MARISSA SANDBLOM, for a term to expire 6-30-2013

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Marissa Sandblom to have the necessary qualifications for the Board of Directors of the Agribusiness Development Corporation.

Testimony in support of the nominee was submitted by two state agencies, one county Mayor, two organizations, and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Sandblom is nominated to represent the County of Kauai on the Board of Directors of the Agribusiness Development Corporation. She received her Bachelor's degree and her Master's degree in Business Administration from Hawaii Pacific University. Ms. Sandblom is the Vice President of Grove Farm Company, Inc. and oversees Grove Farm's philanthropic efforts. She is on the Board of Directors of the Kauai Visitors Bureau, the Kauai Economic Development Board, the Kauai Planning and Action Alliance, and PBS Hawaii.

Ms. Sandblom has experience in marketing, promotion, and the coordination of agricultural projects which can assist the Agribusiness Development Corporation in its management of state-owned agricultural lands and water systems. She recognizes there are many challenges facing local agriculture, and is interested in finding innovative solutions to transitioning former plantation lands and water systems into diversified agricultural endeavors. Ms. Sandblom stresses the importance of fostering and strengthening partnerships across business and industry sectors, and believes that community service and volunteerism strengthen the bond between businesses and the community. In addition to her experience in the banking industry and the non-profit sector, she has undertaken a number of agricultural projects ranging from an ecological restoration project at Iliahi to developing an environmental education program at Grove Farm's Nene Habitat. Your Committee wants Ms. Sandblom to bring her dedication to public service and commitment to establishing diversified agriculture to the Agribusiness Development Corporation Board of Directors.

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, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3058 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. Nos. 372 and 373**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 372 DUANE C.K. LAU, for a term to expire 6-30-2014; and

G.M. No. 373 DAVID G. RIETOW, for a term to expire 6-30-2014

Your Committee has reviewed the personal histories, resumes, and statements of the nominees, and finds Duane C.K. Lau and David G. Rietow to have the necessary qualifications for the Board of Directors of the Agribusiness Development Corporation.

Testimony in support of the nomination of Duane C.K. Lau was submitted by two state agencies, three organizations, and two individuals.

Mr. Lau presently serves on the Board of Directors of the Agribusiness Development Corporation and is an at-large member. He received his Bachelor's degree in Business Administration from the University of San Francisco. Mr. Lau is presently employed as the Vice President for Sales and Marketing for May's Wonder Gardens in Haleiwa, and is a manager of Hawaiian Candies and Nuts, Ltd. He is a past President of the Hawaii Food Manufacturers Association, a past Region 9 Director of the American Association of Meat Processors, a member of the Rural Economic Transition Assistance – Hawaii Program board, and a member of the Meat and Poultry Association of Hawaii.

Mr. Lau has forty years experience in the food industry. His family owned and operated the Palama Meat Co., Inc. which was heavily involved with the cattle and livestock industry statewide, and he now operates the May's Wonder Gardens' hydroponic lettuce operations. Mr. Lau wishes to contribute to the Agribusiness Development Corporation as a small farmer, and examine statewide initiatives from the viewpoint of how they will affect small farmers. His experience as the Region 9 Director of the American Association of Meat Processors, the largest trade association for the American meat industry, taught him to work with members from all areas of the industry and the importance of balancing issues to see all viewpoints. He brings that experience to the Agribusiness Development Corporation to balance the interests of small farmers and statewide policies.

Testimony in support of the nomination of David G. Rietow was submitted by two state agencies, two organizations, and one individual.

Mr. Rietow presently serves as a member of the Board of Directors of the Agribusiness Development Corporation and represents West Hawaii. He received his Bachelor's degree in Agronomy from Arizona State University. Mr. Rietow presently serves as the President and Co-owner of Agro Resources, Inc. and Agricon Hawaii, Inc. Agro Resources, Inc. is an agribusiness management firm organized to plan, develop, and manage diversified agribusiness ventures, primarily working with macadamia nut farms, coffee plantations, and tropical fruit orchards on the island of Hawaii. Agricon Hawaii, Inc. is an agribusiness consulting firm that specializes in providing technical and financial information for tropical crops, livestock, and aquaculture. He is the President of the Hawaii Macadamia Nut Association and is on the Board of Governors for the Hawaii Employers Council.

Mr. Rietow has forty years of experience in Hawaii's agricultural sector. He has designed and installed irrigation systems, managed water systems, managed fully integrated agribusinesses, created business plans for agricultural projects, and been an active member of various boards and commissions providing him with extensive experience with the decision making process. Mr. Rietow would like to continue to work with the Agribusiness Development Corporation to acquire and manage water systems and land that can have a significant impact on Hawaii's agricultural industry.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

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, 3 (Bunda, Fukunaga, Hemmings).

**SCRep. 3059 Economic Development and Technology on S.C.R. No. 75**

The purpose of this measure is to request Governor Linda Lingle to direct the placement of a plaque commemorating the Korean National Association on the grounds of Washington Place.

Testimony in support of this measure was submitted by the Korean American Foundation Hawaii.

Your Committee finds one of the remarkable achievements of the early Korean immigrants in Hawaii, whose population in the islands was only 4,533 at the time, was the building of the headquarters of the Korean National Association (KNA) in 1914. At a time when Korean immigrants had no mother country to which they might return, KNA was a unique entity that represented and protected Koreans in Hawaii. A commemorative plaque marking the site of the KNA headquarters will serve to remind both Hawaii's Korean community, and an increasing number of Korean visitors about the life of early Korean immigrants in Hawaii.

Your Committee has amended this measure by:

- (1) Amending the title to read: REQUESTING GOVERNOR LINDA LINGLE TO RECOGNIZE LOCAL KOREANS BY ALLOWING A COMMEMORATIVE PLAQUE DESIGNATING THE FORMER SITE OF THE KOREAN NATIONAL ASSOCIATION;
- (2) Deleting the specific location for the placement of the commemorative plaque, in order to allow for further discussion on its final location; and
- (3) Making technical, nonsubstantive amendments for the purpose of consistency.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology 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 its adoption 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, 1 (Hee).

**SCRep. 3060 Economic Development and Technology on S.R. No. 31**

The purpose of this measure is to request Governor Linda Lingle to direct the placement of a plaque commemorating the Korean National Association on the grounds of Washington Place.

Testimony in support of this measure was submitted by the Korean American Foundation Hawaii.

Your Committee finds one of the remarkable achievements of the early Korean immigrants in Hawaii, whose population in the islands was only 4,533 at the time, was the building of the headquarters of the Korean National Association (KNA) in 1914. At a time when Korean immigrants had no mother country to which they might return, KNA was a unique entity that represented and protected Koreans in Hawaii. A commemorative plaque marking the site of the KNA headquarters will serve to remind both Hawaii's Korean community, and an increasing number of Korean visitors about the life of early Korean immigrants in Hawaii.

Your Committee has amended this measure by:

- (1) Amending the title to read: REQUESTING GOVERNOR LINDA LINGLE TO RECOGNIZE LOCAL KOREANS BY ALLOWING A COMMEMORATIVE PLAQUE DESIGNATING THE FORMER SITE OF THE KOREAN NATIONAL ASSOCIATION;
- (2) Deleting the specific location for the placement of the commemorative plaque, in order to allow for further discussion on its final location; and
- (3) Making technical, nonsubstantive amendments for the purpose of consistency.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology 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, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 3061 Economic Development and Technology on S.C.R. No. 202**

The purpose of this measure is to urge Google to select Hawaii as a test site to conduct the Google Gigabit Broadband Initiative and to offer legislative support of state, county, and community efforts to do so.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the High Technology Development Corporation, and the Mayor of the City and County of Honolulu.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii would make an optimal location for Google to demonstrate the revolutionary benefits of high speed broadband, given the strong community interest, government support, ideal weather conditions, varied topography, near universal penetration of cable television, and the higher than average subscription rates for broadband usage.

Your Committee has amended this measure by:

- (1) Clarifying that the City and County of Honolulu has responded to Google's Request for Information, in conjunction with the State and counties, in a unified effort to assist Google in the deployment of a new fiber network in the islands; and
- (2) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 202, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 202, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 3062 Economic Development and Technology on S.R. No. 101**

The purpose of this measure is to urge Google to select Hawaii as a test site to conduct the Google Gigabit Broadband Initiative and to offer legislative support of state, county, and community efforts to do so.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the High Technology Development Corporation, and the Mayor of the City and County of Honolulu.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii would make an optimal location for Google to demonstrate the revolutionary benefits of high speed broadband, given the strong community interest, government support, ideal weather conditions, varied topography, near universal penetration of cable television, and the higher than average subscription rates for broadband usage.

Your Committee has amended this measure by:

- (1) Clarifying that the City and County of Honolulu has responded to Google's Request for Information, in conjunction with the State and counties, in a unified effort to assist Google in the deployment of a new fiber network in the islands; and
- (2) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 101, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 101, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 3063 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 124**

The purpose of this measure is to request the Auditor to conduct an impact assessment report, pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, of the social and financial impacts of mandating coverage for weight management and obesity prevention for children in all individual and group accident and health or sickness insurance policies, as provided in S.B. No. 794 (2009).

Your Committees received testimony in support of this measure from the Department of Health, Kaiser Permanente, American Academy of Pediatrics, Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Chapter of the American Physical Therapy Association, and one individual. Comments were received from the Hawaii Medical Service Association. Written testimony presented to the Committees may be reviewed on the Legislature's website.

S.B. No. 794, S.D. 1, Regular Session of 2009, proposes to require health insurance providers to include in their policies coverage for weight management and obesity prevention, evaluation, and guidance services for children covered under the policy.

Childhood obesity is a growing concern in the State with 26.9 percent of children ages 10-17 being overweight or obese. Obesity in children has been associated with the growing incidence in adults of type II diabetes, cardiovascular disease, poor self-esteem, and poor health. A 2004 report estimated that in Hawaii the medical costs attributable to adult obesity totaled \$290,000,000, of which \$30,000,000 was expended by Medicare, \$90,000,000 by Medicaid, and \$170,000,000 from other sources.

Successful treatment of overweight and obese children may prevent the burden of medical and social problems they face as adults and the associated medical costs to the health care system.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 124, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 124, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 3 (Green, Hemmings, Sakamoto).

**SCRep. 3064 Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 228**

The purpose of this measure is to approve the conveyance of tax map key (1) 5-9-05:77 to the Aloha Council Boy Scouts of America to correct the inadvertent omission of the parcel from the 2004 recorded conveyance documents.

Testimony in support of the measure was submitted by one state agency and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee notes that this measure demonstrates a misunderstanding of the law regarding land exchanges and the effect of Act 176, Session Laws of Hawaii 2009 (Act 176). Your Committee has adopted the measure to correct the misunderstanding and clarify your Committee's position with regard to these types of measures.

Act 176 established a mechanism for the permanent disposition through sale or gift of land from the public lands corpus and requires legislative approval for any such transfer. Additionally, Act 176 recognized the Office of Hawaiian Affairs' (OHA) particular interest in maintaining the public land trust and requires that OHA be notified of any sale, gift, or exchange of public lands. The subject measure addresses an exchange of public lands, which occurred in 2004, but due to the parties' mistake, one parcel was inadvertently omitted. An exchange of public land is subject to section 171-50, Hawaii Revised Statutes, which requires legislative disapproval. The parties are required to introduce a concurrent resolution for legislative disapproval with specific information. If the concurrent resolution is not adopted by the Legislature, the land exchange may occur. This process took place in 2003, as required by law. Act 176 amended section 171-50, Hawaii Revised Statutes, to require that a copy of the concurrent resolution for legislative disapproval be submitted to OHA. Act 176 did not change the law regarding land exchanges in any other way. In 2003, the parties to the subject transaction took an additional step of requesting legislative approval of the land transfer in a bill, which was adopted as Act 27, Session Laws of Hawaii 2003. Thus, not only was the land transfer not disapproved by the Legislature but it was also affirmatively approved in a session law.

The measure submitted to your Committee for consideration states, "the parties wish to comply with Act 176 . . . out of an abundance of caution." Your Committee is concerned that this measure is unnecessary as this land transfer has clearly met the required statutory obligations. Your Committee is also concerned as the measure requests legislative approval in reference to section 171-50, Hawaii Revised Statutes. As explained previously, section 171-50, Hawaii Revised Statutes, requires legislative disapproval.

Your Committee finds that correcting the mistake of 2004 is a ministerial matter and can be dealt with on another level. Your Committee hopes the parties will resolve this matter without pursuing this measure further.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purpose of clarity.

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. 228, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 228, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Hemmings, Kokubun, Tokuda).

**SCRep. 3065 (Majority) Judiciary and Government Operations on S.C.R. No. 37**

The purpose of this measure is to urge Governor Lingle to use and consider gender equality when appointing judges and justices in the future.

Testimony in support of this measure was submitted by the Domestic Violence Action Center, Hawaii Women Lawyers, Democratic Party of Hawai'i Women's Caucus, Hawai'i Women's Coalition, Hawai'i Friends of Civil Rights, Hawai'i Women's Political Caucus, and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that through a series of events, the gender gap in the Hawaii State Judiciary has been increasing. This gap is most evident in the First Circuit, primarily due to the recent retirements by female Circuit Court Judges Blondin, Wong, Marks, Hifo, Hirai and Radius, as well as the retirement of Intermediate Court of Appeals Judge Watanabe. In combination with judicial appointments and retentions of fewer women than men, the gender gap is much more pronounced.

Your Committee further finds that the current vacancies provide an appropriate opportunity to address this disparity in the courts, for a judiciary in which men and women are equally and adequately represented will ensure public confidence in the legitimacy and impartiality of the justice system.

Your Committee has amended this measure by making technical amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Takamine).

**SCRep. 3066 (Majority) Judiciary and Government Operations on S.R. No. 26**

The purpose of this measure is to urge Governor Lingle to use and consider gender equality when appointing judges and justices in the future.

Testimony in support of this measure was submitted by the Domestic Violence Action Center, Hawaii Women Lawyers, Democratic Party of Hawai'i Women's Caucus, Hawai'i Women's Coalition, Hawai'i Friends of Civil Rights, Hawai'i Women's Political Caucus, and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that through a series of events, the gender gap in the Hawaii State Judiciary has been increasing. This gap is most evident in the First Circuit, primarily due to the recent retirements by female Circuit Court Judges Blondin, Wong, Marks, Hifo, Hirai and Radius, as well as the retirement of Intermediate Court of Appeals Judge Watanabe. In combination with judicial appointments and retentions of fewer women than men, the gender gap is much more pronounced.



Your Committee further finds that the current vacancies provide an appropriate opportunity to address this disparity in the courts, for a judiciary in which men and women are equally and adequately represented will ensure public confidence in the legitimacy and impartiality of the justice system.

Your Committee has amended this measure by making technical amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 26, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 26, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Takamine).

**SCRep. 3067 Public Safety and Military Affairs on S.C.R. No. 192**

The purpose of this measure is to request the Department of Public Safety to facilitate and support federal grant proposals for the funding of the Huikahi Restorative Circles program to address the backlog of requests from incarcerated individuals wanting to make amends for their past behavior.

This measure also requests the Department to obtain an annual report from the provider of the Huikahi Restorative Circles program.

Your Committee received testimony in support of this measure from one state department, two private entities, and thirteen individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

A restorative circle is a group planning process for individual inmates, their families, and prison staff that results in a written transition plan for the inmate preparing to leave prison. The transition plan details the inmate's needs, including the need for reconciliation with loved ones, any non-related victims not present at the circle, and the inmate personally, and addresses other needs, such as housing and employment necessary for the inmate to create a successful life by establishing goals for the inmate to meet. A restorative circle makes it clear to inmates that they are responsible for their lives by the decisions that they make.

The Hawaii Restorative Circles program, renamed "Huikahi Restorative Circles", from the Hawaiian words "hui" meaning group and "kahi" meaning individual, is a reentry program mandated as part of Act 8, First Special Session Laws of Hawaii 2007. The funds appropriated for the continuation and expansion of the Huikahi Restorative Circles program by Act 8 have not been released by the Governor. The Huikahi Restorative Circles program has been operating with private funding and community goodwill. Impartial grant reviewers for the federal government recently stated that the Huikahi Restorative Circles "provide[s] an innovative approach to an often overlooked facet of an offender's reentry into the community--the interaction--past, present, and future--with the inmate's family. The appreciation for cultural sensitivities will translate to other populations. The inclusion of a thoughtful 'transition plan' it presents is a good next step opportunity for both family and inmates." The Huikahi Restorative Circles Program has been recognized both nationally and internationally.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 192, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 192, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, English, Hemmings).

**SCRep. 3068 Public Safety and Military Affairs on S.R. No. 91**

The purpose of this measure is to request the Department of Public Safety to facilitate and support federal grant proposals for the funding of the Huikahi Restorative Circles program to address the backlog of requests from incarcerated individuals wanting to make amends for their past behavior.

This measure also requests the Department to obtain an annual report from the provider of the Huikahi Restorative Circles program.

Your Committee received testimony in support of this measure from one state department, two private entities, and thirteen individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

A restorative circle is a group planning process for individual inmates, their families, and prison staff that results in a written transition plan for the inmate preparing to leave prison. The transition plan details the inmate's needs, including the need for reconciliation with loved ones, any non-related victims not present at the circle, and the inmate personally, and addresses other needs, such as housing and employment necessary for the inmate to create a successful life by establishing goals for the inmate to meet. A restorative circle makes it clear to inmates that they are responsible for their lives by the decisions that they make.

The Hawaii Restorative Circles program, renamed "Huikahi Restorative Circles", from the Hawaiian words "hui" meaning group and "kahi" meaning individual, is a reentry program mandated as part of Act 8, First Special Session Laws of Hawaii 2007. The funds appropriated for the continuation and expansion of the Huikahi Restorative Circles program by Act 8 have not been released by the Governor. The Huikahi Restorative Circles program has been operating with private funding and community goodwill. Impartial grant reviewers for the federal government recently stated that the Huikahi Restorative Circles "provide[s] an innovative approach to an often overlooked facet of an offender's reentry into the community--the interaction--past, present, and future--with the inmate's family. The appreciation for cultural sensitivities will translate to other populations. The inclusion of a thoughtful 'transition plan' it presents is a good next step opportunity for both family and inmates." The Huikahi Restorative Circles Program has been recognized both nationally and internationally.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 91, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 91, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, English, Hemmings).

**SCRep. 3069 Public Safety and Military Affairs on S.C.R. No. 190**

The purpose of this measure is to request the:

- (1) Corrections Population Management Commission to resume its meetings and to meet at least quarterly to carry out its objectives; and
- (2) Department of Public Safety to distribute population reports and other relevant population information at Commission meetings, and to make all handouts, population reports, and related information available on its website.

Your Committee received testimony in support of this measure from two private entities. Comments were received from one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Corrections Population Management Commission is administratively attached to the Department of Public Safety. The objective of the Commission pursuant to section 353F-1, Hawaii Revised Statutes, is "to establish maximum inmate population limits for each correctional facility and to formulate policies and procedures to prevent the inmate population from exceeding the capacity of each correctional facility." The Commission was established by law to assist the State in satisfying the requirements of a consent decree, which was the result of the 1985 lawsuit regarding overcrowding in correctional facilities.

The recent decision to close the Kulani Correctional Facility was not brought before the Commission for discussion. Likewise, the placement of fifty-four per cent of Hawaii's corrections population in private prisons on the continental United States should be a matter of discussion and debate for the Commission. Additionally, several other apparent operational deficiencies have been brought to the attention of your Committee which has oversight authority for public safety.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 190, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 190, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, English, Hemmings).

**SCRep. 3070 Public Safety and Military Affairs on S.R. No. 89**

The purpose of this measure is to request the:

- (1) Corrections Population Management Commission to resume its meetings and to meet at least quarterly to carry out its objectives; and
- (2) Department of Public Safety to distribute population reports and other relevant population information at Commission meetings, and to make all handouts, population reports, and related information available on its website.

Your Committee received testimony in support of this measure from two private entities. Comments were received from one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Corrections Population Management Commission is administratively attached to the Department of Public Safety. The objective of the Commission pursuant to section 353F-1, Hawaii Revised Statutes, is "to establish maximum inmate population limits for each correctional facility and to formulate policies and procedures to prevent the inmate population from exceeding the capacity of each correctional facility." The Commission was established by law to assist the State in satisfying the requirements of a consent decree, which was the result of the 1985 lawsuit regarding overcrowding in correctional facilities.

The recent decision to close the Kulani Correctional Facility was not brought before the Commission for discussion. Likewise, the placement of fifty-four per cent of Hawaii's corrections population in private prisons on the continental United States should be a matter of discussion and debate for the Commission. Additionally, several other apparent operational deficiencies have been brought to the attention of your Committee which has oversight authority for public safety.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 89, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 89, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, English, Hemmings).

**SCRep. 3071 Judiciary and Government Operations on S.C.R. No. 193**

The purpose of this measure is to urge the owner of the Honolulu Star-Bulletin, Oahu Publications, Inc., to provide sufficient time to find a new owner for the newspaper, in order to preserve two independent daily newspapers in the community.

Testimony in support of the measure was submitted by two private organizations and four individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there are many benefits to having two independent newspapers serving the community. Two editorial voices encourage citizens to examine various viewpoints. Two newspapers may each send a reporter to cover and report on a single story, which allows a different view point. Where there is only one newspaper, the decision by that newspaper not to cover a particular story means that an important story may not be covered at all; whereas when there are two newspapers, it is more likely that at least one will decide to cover the story. Additionally, having only one newspaper means that the newspaper does not have any competition for advertising rates, which may lead to an increase in rates for businesses seeking to advertise in the newspaper, which would be, to a certain extent, at the mercy of the sole newspaper's rates. Allowing additional time for a potential buyer of the Honolulu Star-Bulletin to find out about the sale, perform due diligence, and put together financing to purchase the newspaper would increase the chances that the newspaper would continue to serve the community, rather than be closed or merged with The Honolulu Advertiser.

Your Committee notes that, during the hearing, Senator Slom raised a concern regarding a potential conflict he may have regarding this measure, and decided not to vote on this measure.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style and accuracy.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations 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, 4. Noes, none. Excused, 1 (Takamine). Recused, 1 (Slom).

**SCRep. 3072      Judiciary and Government Operations on S.R. No. 92**

The purpose of this measure is to urge the owner of the Honolulu Star-Bulletin, Oahu Publications, Inc., to provide sufficient time to find a new owner for the newspaper, in order to preserve two independent daily newspapers in the community.

Testimony in support of the measure was submitted by two private organizations and four individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there are many benefits to having two independent newspapers serving the community. Two editorial voices encourage citizens to examine various viewpoints. Two newspapers may each send a reporter to cover and report on a single story, which allows a different view point. Where there is only one newspaper, the decision by that newspaper not to cover a particular story means that an important story may not be covered at all; whereas when there are two newspapers, it is more likely that at least one will decide to cover the story. Additionally, having only one newspaper means that the newspaper does not have any competition for advertising rates, which may lead to an increase in rates for businesses seeking to advertise in the newspaper, which would be, to a certain extent, at the mercy of the sole newspaper's rates. Allowing additional time for a potential buyer of the Honolulu Star-Bulletin to find out about the sale, perform due diligence, and put together financing to purchase the newspaper would increase the chances that the newspaper would continue to serve the community, rather than be closed or merged with The Honolulu Advertiser.

Your Committee notes that, during the hearing, Senator Slom raised a concern regarding a potential conflict he may have regarding this measure, and decided not to vote on this measure.

Your Committee has amended this measure by making technical, nonsubstantive changes for purposes of style and accuracy.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 92, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 92, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Takamine). Recused, 1 (Slom).

**SCRep. 3073      Higher Education on Gov. Msg. No. 314**

Recommending that the Senate advise and consent to the nomination of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 314    CATHERINE A. ADAMS, RN, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Catherine A. Adams, RN, to have the necessary qualifications to be appointed to the Center for Nursing Advisory Board.

Testimony in support of the nominee was submitted by the Hawaii State Center for Nursing. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Adams earned a Master of Science in Nursing from the University of Hawaii at Manoa and a Bachelor of Science in Nursing from Arizona State University. She has served for over thirty years in hospital and clinic administration and nursing education, presently as the Director of Patient Safety and Quality Services at Wilcox Memorial Hospital and previously as an Instructor of the Nursing Program at Kauai Community College, System Director for Clinical Education at Hawaii Pacific Health, Vice President of Hospital Operations at Wilcox Memorial Hospital, and Director of Clinic Operations at Straub Clinic and Hospital, Inc.

Ms. Adams has been an active member of the Center for Nursing Advisory Board since the inception of the Board. She has served on the Personnel Committee of the Board and has been nominated as Chairperson. Ms. Adams has lived on the island of Kauai for the past ten years and contributes not only her professional work experience but also a valuable neighbor island perspective to the Board.

As a long-time Board member and practitioner, Ms. Adams possesses the experience and knowledge to understand the issues facing the nursing profession in Hawaii. She identifies, as potential strategies and solutions to address these issues, increasing clinical spaces

for nursing students and improving nurse retention and training. She believes that the Board has assisted in addressing the nurse shortage in the State and that the Board will continue to support nursing programs, encourage leadership training, and support nurses to further retain nurses and improve their quality of care.

Your Committee finds that Ms. Adams displays extensive knowledge and background in the major issues facing the nursing profession in the State and is confident that Ms. Adams will continue to make significant and well-informed contributions to the Center for Nursing Advisory Board.

As affirmed by the record of votes of the members of your Committee on Higher 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 (Baker, Kokubun, Taniguchi).

**SCRep. 3074 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 374**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 374 JERRY L. ORNELLAS, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Jerry L. Ornellas to have the necessary qualifications to be appointed to the Board of Agriculture.

Testimony in support of the nominee was submitted by two state agencies, the Mayor of the County of Kauai, seven organizations, and thirteen individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Ornellas was born and raised on the island of Kauai, where he attended and graduated from Kapaa High School. He began farming at a young age and has continued his work in commercial farming for over forty years. Mr. Ornellas has also worked for over twenty years as an Agricultural Research Technician/Farmer for the University of Hawaii College of Tropical Agriculture and Human Resources, combining the science of agriculture with his extensive work experience in livestock, orchard, and vegetable farming and agricultural land and water management.

Not only has Mr. Ornellas achieved success in farming, but he has also proven to be an effective leader. He participated in the Agriculture Leadership Program, which selects participants from among leaders in the agriculture sector or a particular industry or rural community in the State to receive facilitation and collaborative leadership training to apply in their respective professions.

When Lihue Plantation Company shut down in 2000, Mr. Ornellas translated his leadership skills and initiative to action as he joined a group of farmers and ranchers in forming the East Kauai User's Cooperative – the first of its kind in the State – to address complex issues concerning water delivery to East Kauai. After two years of work, the Cooperative successfully developed and received the necessary permits to operate a water system. Mr. Ornellas was elected President of the Cooperative in 2002 and continues to serve in that capacity in addition to leadership roles in other organizations, including Vice President of the Kauai County Farm Bureau, Chair of the Kauai Agricultural Advisory Committee, Co-Chair of the Kauai Economic Development Board's Food and Agriculture Committee, and Associate Director of the East Kauai Soil and Water Conservation District.

Mr. Ornellas is dedicated to renewing the field of agriculture to become one of the leading industries in the State. Numerous co-workers, community members, and leaders, particularly in the Kauai community, have testified to his commitment to agriculture, intimate knowledge and experience in agriculture, and ability to think prospectively to improve the field and business of agriculture in Hawaii.

Your Committee finds that Mr. Ornellas is a well-respected leader whose knowledge, expertise, leadership, character, and willingness to serve the State would make him an invaluable asset to the Board of Agriculture.

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, 3 (Bunda, Fukunaga, Hemmings).

**SCRep. 3075 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 375**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 375 DAVID C. GOODE, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds David C. Goode to have the requisite qualifications to be nominated for the Board of Land and Natural Resources.

Testimony in support of the nomination was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Goode presently serves on the Board of Land and Natural Resources and is an at-large member. He received his Bachelor's degree in Electrical Engineering from the University of California, Santa Barbara and is presently employed as President of KSD

Hawaii. Mr. Goode serves as President of the Board for the Maui Contractors Association, is Vice President of the Board of the Carden Academy of Maui, and is a coach and referee for the American Youth Soccer Organization. Mr. Goode was a member of the Hawaii 2050 Sustainability Task Force, member of the Board for the Maui Symphony Orchestra, Chair of the Architecture Review Committee for the Kulamau Community Association, and President of the Tri-Isle Resource Conservation and Development District.

As the former Director and Deputy Director of the Maui County Department of Public Works and Waste Management, Mr. Goode worked closely with the County Council, the public, and the employees to implement actions focused on delivering better public services while improving the environment. He has a demonstrated commitment to the community and brings a unique understanding of land and natural resource management issues from his experience in both the private and public sectors.

During his past year of service on the Board of Land and Natural Resources, Mr. Goode has used his experience to critically examine projects in Hawaii and Kauai Counties. He believes public input is necessary to the decision making process, and has advocated for increased public participation in recent decisions to raise parking fees at state parks and live aboard fees in state small boat harbors. Your Committee hopes Mr. Goode will continue to contribute his critical perspective to the Board and looks forward to his continued efforts to resolve on-going land management issues.

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, 3 (Bunda, Fukunaga, Hemmings).

**SCRep. 3076 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 242**

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRMAN OF THE DEPARTMENT OF HAWAIIAN HOME LANDS

G.M. No. 242 KAULANA PARK, for a term to expire 12-31-2010

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Kaulana Park to have the necessary qualifications for the Chairman of the Department of Hawaiian Home Lands.

Testimony in support of the nomination was submitted by eight state agencies, one Trustee of the Office of Hawaiian Affairs, one state agency division Administrator, one county Mayor, twenty-eight organizations, and seventeen individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Park has served as the acting Director and Chairman of the Department of Hawaiian Home Lands since July 2009. He joined the Department of Hawaiian Home Lands in 2003 as Executive Assistant to the Chairman and later became Deputy Director. As Deputy Director, he provided direct management to administrators for operations efficiency, administration workflow, and leadership development. Prior to joining the Department of Hawaiian Home Lands, Mr. Park spent six years with the Office of Hawaiian Affairs as a Business Loan Manager and Officer. He managed the Native Hawaiian Revolving Loan Fund, supervised loan officers and operations staff, restructured the loan fund program and its advisory board, controlled a portfolio of more than one hundred and fifty commercial clients, and maintained effective relationships with federal agencies. He is a former Director of the Hawaii Public Housing Authority and the Lokahi Pacific Rural Development, Inc., former Board Councilmember of the Hope Chapel Olomana, member of the 2003 class of the Pacific Century Fellows Program, a 2001 Pacific Business News 40 under 40 recipient, and a former second Vice Chairman of the Hotel and Travel Industry Federal Credit Union.

In 2006, Mr. Park was appointed to lead the Governor's Homeless Efforts Achieving Results Together (HEART) team to coordinate solutions for the State's homeless population. He worked in collaboration with state agencies, the private sector, faith-based community organizations, homeless advocates, non-profit organizations, the military, county agencies, and other groups to address the homeless crisis. He laid the foundation for the development of three emergency shelters and two transitional shelters along Oahu's Leeward coast. He also worked with Kauai County to open Kauai's first two emergency and transitional shelters.

Mr. Park is committed to helping native Hawaiians achieve the dream of home ownership. The acceleration of lease awards and the development of new programs and outreach by the Department has positioned the Hawaiian Home Lands trust to be one of the largest residential developers in the State. The Hawaiian Home Lands trust has taken a leadership role throughout the State in bringing focus to areas where infrastructure development is needed to improve the quality of life for beneficiaries and Hawaii's citizens. He joined the Department in 2003 as the lead strategist and developed a strategic plan and put together a team to implement that plan. The team has made significant strides in the last seven years including introducing the undivided lease award to provide homeownership opportunities to families experiencing financial hardship, developing a capacity building program for the forty-seven homestead associations, significantly reducing the delinquency rate on vendor payments, more than doubling the Department's income generating portfolio, and developing Community Regional Development Plans to partner with homestead communities for increased communication and coordination. Your Committee looks forward to Mr. Park continuing the momentum of these accomplishments in his continued service of the beneficiaries.

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, 3 (Bunda, Hemmings, Takamine).

**SCRep. 3077 (Joint) Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 237**



The purpose of this measure is to request the Department of Education to convene a working group to consider leasing or renting public school cafeterias to value-added food processors to promote the use of locally-grown fresh produce in school meals.

Testimony in support of this measure was submitted by three private organizations. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that there is a demand among students, parents, educators, and others for healthy, locally-grown produce to be available as a part of school meals. This demand is evidenced in part by the success and expansion of the Actively Integrating Nutrition and Agriculture in Schools program. Your Committees find that this measure takes a first step in exploring issues that must be resolved to enable the leasing of public school cafeterias to value-added food processors in a fair, safe, and cost-efficient manner.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing 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. 237, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 237, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Fukunaga, Hemmings, Tsutsui).

**SCRep. 3078 (Joint) Education and Housing and Economic Development and Technology and Higher Education on S.C.R. No. 186**

The purpose of this measure is to request a status report on the economic impact of expanded workforce development outcomes, and an update on the STEM, Research Experiences for Teachers – Middle School, Project Environmental and Spatial Technology, and robotics programs within public schools, with a report to the 2011 Legislature.

Testimony in support of this measure was submitted by the Department of Education; Department of Business, Economic Development, and Tourism; Women in Technology; and four individuals responsible for aspects of the STEM-related programs.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the STEM initiatives launched in 2007 have been highly successful, providing expanded learning opportunities for thousands of public school students throughout the State, and involving untold numbers of private sector supporters and mentors. For example, participation in robotics has expanded dramatically in three years, from ninety-five programs in early 2007, to 422 programs today attracting 3,000 students in public, charter, and private schools statewide. And Project EAST, which began in a handful of neighbor island public schools, has expanded to fifteen schools statewide and served over 4,400 students from middle school through grade twelve. Even more impressive, nearly one hundred per cent of EAST participants plan to attend college, and over sixty per cent plan STEM-related majors.

Your Committees commend the agencies – both public and private – that have been instrumental in the success of these programs and believe that the reporting requested by this measure will provide the agencies and the individuals involved with an opportunity to further highlight their successes and their plans for the continued expansion of these programs.

Your Committees have amended this measure by:

- (1) Amending the title to read: "REQUESTING REPORTS ON THE ECONOMIC VALUE OF EXPANDED WORKFORCE DEVELOPMENT CAPACITY AND STEM INITIATIVES";
- (2) Clarifying that the Department of Business, Economic Development, and Tourism report on the growth and economic value of emerging industries in defense and dual-use, astronomy, engineering, aquaculture, biotech, digital media, and related industries, in addition to its report on STEM initiatives;
- (3) Adding Hi-EST and FIRST academies to the program reports;
- (4) Requiring written reports, including recommendations for long-term expansion and funding requirements; and
- (5) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Economic Development and Technology and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 186, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 186, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 4 (Hee, Hemmings, Taniguchi, Tsutsui).

**SCRep. 3079 (Joint) Education and Housing and Economic Development and Technology and Higher Education on S.R. No. 86**

The purpose of this measure is to request a status report on the economic impact of expanded workforce development outcomes, and an update on the STEM, Research Experiences for Teachers – Middle School, Project Environmental and Spatial Technology, and robotics programs within public schools, with a report to the 2011 Legislature.

Testimony in support of this measure was submitted by the Department of Education; Department of Business, Economic Development, and Tourism; Women in Technology; and four individuals responsible for aspects of the STEM-related programs.

Written testimony presented to the Committees may be reviewed on the Legislature's website.



Your Committees find that the STEM initiatives launched in 2007 have been highly successful, providing expanded learning opportunities for thousands of public school students throughout the State, and involving untold numbers of private sector supporters and mentors. For example, participation in robotics has expanded dramatically in three years, from ninety-five programs in early 2007, to 422 programs today attracting 3,000 students in public, charter, and private schools statewide. And Project EAST, which began in a handful of neighbor island public schools, has expanded to fifteen schools statewide and served over 4,400 students from middle school through grade twelve. Even more impressive, nearly one hundred per cent of EAST participants plan to attend college, and over sixty per cent plan STEM-related majors.

Your Committees commend the agencies – both public and private – that have been instrumental in the success of these programs and believe that the reporting requested by this measure will provide the agencies and the individuals involved with an opportunity to further highlight their successes and their plans for the continued expansion of these programs.

Your Committees have amended this measure by:

- (1) Amending the title to read: “REQUESTING REPORTS ON THE ECONOMIC VALUE OF EXPANDED WORKFORCE DEVELOPMENT CAPACITY AND STEM INITIATIVES”;
- (2) Clarifying that the Department of Business, Economic Development, and Tourism report on the growth and economic value of emerging industries in defense and dual-use, astronomy, engineering, aquaculture, biotech, digital media, and related industries, in addition to its report on STEM initiatives;
- (3) Adding Hi-EST and FIRST academies to the program reports;
- (4) Requiring written reports, including recommendations for long-term expansion and funding requirements; and
- (5) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Economic Development and Technology and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 86, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 86, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 4 (Hee, Hemmings, Taniguchi, Tsutsui).

**SCRep. 3080 (Joint) Health and Economic Development and Technology on S.C.R. No. 150**

The purpose of this measure is to designate September 26, 2010 as “Mesothelioma Awareness Day”.

Testimony in support of this measure was received from the American Cancer Society. Written testimony presented to the Committees may be reviewed on the Legislature’s website.

Your Committees find that mesothelioma, a cancer caused by asbestos exposure, has a particularly high mortality rate. However, early detection increases the chances of preventing or delaying death, giving mesothelioma victims more time with loved ones. Your Committees agree with the American Cancer Society that designating a Mesothelioma Awareness Day will encourage individuals to learn more about this cancer and seek appropriate medical help to detect the disease in its early stages.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 150 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (Green, Hee, Hemmings, Slom).

**SCRep. 3081 Transportation, International and Intergovernmental Affairs on S.C.R. No. 223**

The purpose of this measure as received by your Committee is to request the Department of Transportation to create a moped task force to explore the feasibility of classifying mopeds like motorcycles in certain instances.

Your Committee conducted a public hearing on a proposed draft of this measure. The purpose of this proposed draft is to request all proponents of legislative measures, including governmental agencies and the Legislature, to adhere to the Hawaii Legislative Drafting Manual (Drafting Manual) when drafting or amending measures for purposes of consistency and style.

The Legislative Reference Bureau submitted testimony in support of the proposed draft. Written testimony presented to your Committee may be reviewed on the Legislature’s website.

Your Committee finds that, while the Legislative Reference Bureau has the authority to make changes to an act after it becomes law in order to conform the style of the act to the Hawaii Revised Statutes pursuant to its designation as the Revisor of Statutes under section 23G-11, Hawaii Revised Statutes, confusion regarding a standardized style continues to plague the Legislature. Your Committee notes that recent changes to the standardized style may not be reflected in the current edition of the Drafting Manual, which makes conformity difficult for legislative drafting agencies. Your Committee believes that inviting the legislative drafting agencies to work together to develop a uniform, consistent drafting style that can be incorporated into an updated Drafting Manual will assist the Legislature in focusing on substantive issues during the short legislative sessions.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft, and amending the proposed draft by:

- (1) Requesting the Legislative Reference Bureau to convene a working group to consider changes to the current Drafting Manual, and to incorporate desired changes into a revised and updated draft of the Drafting Manual;
- (2) Reflecting the foregoing changes in purpose in the measure’s title;

- (3) Requesting the Legislative Reference Bureau to invite representatives from the following legislative drafting agencies to participate in the working group:
- (A) The Senate Majority Research Office;
  - (B) The Senate Minority Research Office;
  - (C) The House Majority Staff Office; and
  - (D) The House Minority Research Office; and
- (4) Requesting the Legislative Reference Bureau to submit a report to the Legislature, no later than November 30, 2010, together with its draft of the updated Drafting Manual.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 223, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 223, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 3082 Transportation, International and Intergovernmental Affairs on S.R. No. 114**

The purpose of this measure as received by your Committee is to request the Department of Transportation to create a moped task force to explore the feasibility of classifying mopeds like motorcycles in certain instances.

Your Committee conducted a public hearing on a proposed draft of this measure. The purpose of this proposed draft is to request all proponents of legislative measures, including governmental agencies and the Legislature, to adhere to the Hawaii Legislative Drafting Manual (Drafting Manual) when drafting or amending measures for purposes of consistency and style.

The Legislative Reference Bureau submitted testimony in support of the proposed draft. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, while the Legislative Reference Bureau has the authority to make changes to an act after it becomes law in order to conform the style of the act to the Hawaii Revised Statutes pursuant to its designation as the Revisor of Statutes under section 23G-11, Hawaii Revised Statutes, confusion regarding a standardized style continues to plague the Legislature. Your Committee notes that recent changes to the standardized style may not be reflected in the current edition of the Drafting Manual, which makes conformity difficult for legislative drafting agencies. Your Committee believes that inviting the legislative drafting agencies to work together to develop a uniform, consistent drafting style that can be incorporated into an updated Drafting Manual will assist the Legislature in focusing on substantive issues during the short legislative sessions.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft, and amending the proposed draft by:

- (1) Requesting the Legislative Reference Bureau to convene a working group to consider changes to the current Drafting Manual, and to incorporate desired changes into a revised and updated draft of the Drafting Manual;
- (2) Reflecting the foregoing changes in purpose in the measure's title;
- (3) Requesting the Legislative Reference Bureau to invite representatives from the following legislative drafting agencies to participate in the working group:
  - (A) The Senate Majority Research Office;
  - (B) The Senate Minority Research Office;
  - (C) The House Majority Staff Office; and
  - (D) The House Minority Research Office; and
- (4) Requesting the Legislative Reference Bureau to submit a report to the Legislature, no later than November 30, 2010, together with its draft of the updated Drafting Manual.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 114, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 114, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 3083 Transportation, International and Intergovernmental Affairs on S.C.R. No. 151**

The purpose of this measure is to request the Hawaii Tourism Authority to work in cooperation with the Department of Transportation to develop and air public service announcements on commercial passenger air flights to the State.

This measure also requests the Hawaii Tourism Authority to include in the public service announcements:

- (1) Information on the State's unique and fragile ecosystems;
- (2) Recommendations for visitors and residents on how to care for the State's ecosystems;
- (3) Information focusing on the Hawaiian monk seal and how to behave if encountered; and

- (4) Information on applicable federal and state laws with regard to endangered species.

There was no testimony on this measure. However, testimony was received by the previous Committees, which may be reviewed on the Legislature's website.

In 2008, the Hawaiian monk seal was designated as the State's mammal to increase awareness of it as an endangered species with the hope that this awareness would result in increased protection and its repopulation. However, two recent incidents of intentionally killed monk seals on Kauai and one on Molokai have brought attention to the human threat to the seals.

A comprehensive outreach program for Hawaii residents and visitors regarding the importance of the Hawaiian monk seal and other endangered Hawaiian flora and fauna needs to be firmly established. Hawaii residents and visitors need ready-access to information on the State's unique and fragile ecosystems, recommendations on how to care for the State's ecosystems, and information on how to behave if one comes into contact with an Hawaiian monk seal.

The Hawaii Tourism Authority and the Department of Transportation are in a unique position to implement a public awareness and educational campaign to inform incoming visitors about the endangered Hawaiian monk seal as well as the State's ecosystem.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 151 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Espero).

**SCRep. 3084 Ways and Means on S.C.R. No. 20**

The purpose of this measure is to promote recycling in public schools.

More specifically, this measure requests the Department of Education to:

- (1) Assist public schools in adopting comprehensive campus recycling policies;
- (2) Convene and provide administrative support for a youth task force to propose ideas and develop policies for the Department to consider; and
- (3) Report to the Legislature on the status of campus recycling policies.

The Department of Education submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the State's recycling education and outreach efforts should start in the public schools. Through campus recycling policies and programs, public schools will be able to instill proper student recycling habits, reduce waste, and set a positive example for other public and private entities.

Your Committee also finds that by incorporating student ideas and recommendations into campus recycling policies, the policies will be more enthusiastically embraced by students. Your Committee believes that the student task force, in conjunction with the adoption of campus recycling policies, will reduce waste, promote energy and environmental conservation, and educate public school students about the benefits of recycling.

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 concurs with the intent and purpose of S.C.R. No. 20, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 20, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3085 Commerce and Consumer Protection on S.C.R. No. 210**

The purpose of this measure is to request the Insurance Commissioner to establish an advisory committee to make recommendations regarding the creation and maintenance of a Hawaii all-payer claims database for the purpose of publicly reporting health care and health quality data at all levels of health care.

Testimony in support of this measure was submitted by the Hawaii Medical Association and the Healthcare Association of Hawaii. The Legislative Reference Bureau submitted testimony commenting on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that consumers do not currently have the informational resources necessary to compare the safety, quality, costs and efficiency of hospitals or doctors. Consequently, consumers are left to make health care decisions, including life and death decisions, without the benefit of access to care and quality records of physicians and health facilities. An all-payer claims database will report this kind of health care and health quality data at all levels of care in an easily understood and accessible manner, thus providing consumers with the knowledge necessary to make informed decisions about their health care.

Your Committee further finds that an advisory committee will identify and address barriers to establishing an all-payer health claims system, which will greatly increase the likelihood of successful development and implementation of the system.

Your Committee has amended this measure by requesting that the advisory committee submit its proposals and any draft legislation to the Legislative Reference Bureau for drafting by November 15, 2010.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 210, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 210, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 3086 Commerce and Consumer Protection on S.C.R. No. 179**

The purpose of this measure is to request the Governor to develop proposed legislation to mandate the size and extent of a managed care plan's specialty network based upon the Hawaii QUEST requests for proposal requirements for both QUEST and QUEST Expanded Access Plans.

Testimony in support of this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is currently a shortage of adequate specialty provider networks servicing QUEST and QUEST Expanded Access plans resulting in delays in treatment and reduced efficiency. This shortage is affecting QUEST and QUEST Expanded Access patients throughout the State but is felt particularly keenly on the neighbor islands.

Your Committee further finds that reforming the process by which contracts are awarded to create specialty networks will help to alleviate this problem and will increase efficiency of QUEST and QUEST Expanded Access plans and ensure that all patients are seen by physicians in a timely manner.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity, and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 179, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 179, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 3087 Commerce and Consumer Protection on S.C.R. No. 205**

The purpose of this measure is to request the Director of Commerce and Consumer Affairs to establish a task force to examine the contractor licensing laws of other states and to review chapter 444 of the Hawaii Revised Statutes with the intent of simplifying the contractor licensing structure and significantly reducing the number of contractor classifications in Hawaii.

Your Committee received testimony in support of this measure from the General Contractors Association of Hawaii and The Pacific Resource Partnership. Testimony in opposition to this measure was submitted by Martin Pacific, Inc., Integrated Construction Inc., the American Electric Co., LLC, Ron's Electric, Inc., PAC Electric Co., Inc., Kokami Electrical Service, Inc., Lelewi Electric, Inc., QN Electric, Inc., TG Electric LLC, Jack Endo Electric, Inc., S & S Taylan Electric, Inc., Electricians, Inc., the Electrical Contractor's Association of Hawai'i, and one individual. Testimony in support of the intent of this measure with amendments was submitted by the Subcontractors Association of Hawaii. Testimony with comments on this measure was submitted by the Contractors License Board. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the complexity and copious number of contractor specialty licenses is causing confusion and costly delays for individuals, businesses, and state and county agencies. Your Committee further finds that, if the system is needlessly convoluted, it is in the interest of consumers, the State, and commerce in general to simplify the contractor licensing structure.

Your Committee has amended this measure by:

- (1) Condensing the language of several WHEREAS and BE IT RESOLVED clauses for clarity and conciseness; and
- (2) Changing the makeup of the task force to consist of:
  - (A) Five representatives selected by the General Contractors Association of Hawaii and the Building Industry Association of Hawaii;
  - (B) Five representatives selected by the Subcontractors Association of Hawaii;
  - (C) The Executive Officer of the Contractors License Board;
  - (D) One appointed member of the Contractors License Board representing general contractors and one appointed member of the Contractors License Board representing subcontractors; and
  - (E) The Administrator of the State Procurement Office or the Administrator's designee.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 205, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 205, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Ihara, Sakamoto).

**SCRep. 3088 Commerce and Consumer Protection on S.R. No. 104**

The purpose of this measure is to request the Director of Commerce and Consumer Affairs to establish a task force to examine the contractor licensing laws of other states and to review chapter 444 of the Hawaii Revised Statutes with the intent of simplifying the contractor licensing structure and significantly reducing the number of contractor classifications in Hawaii.

Your Committee received testimony in support of this measure from the General Contractors Association of Hawaii and The Pacific Resource Partnership. Testimony in opposition to this measure was submitted by Martin Pacific, Inc., Integrated Construction Inc., the American Electric Co., LLC., Ron's Electric, Inc., PAC Electric Co., Inc., Kokami Electrical Service, Inc., Leleiwi Electric, Inc., QN Electric, Inc., TG Electric LLC, Jack Endo Electric, Inc., S & S Taylan Electric, Inc., Electricians, Inc., the Electrical Contractor's Association of Hawai'i, and one individual. Testimony in support of the intent of this measure with amendments was submitted by the Subcontractors Association of Hawaii. Testimony with comments on this measure was submitted by the Contractors License Board. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the complexity and copious number of contractor specialty licenses is causing confusion and costly delays for individuals, businesses, and state and county agencies. Your Committee further finds that, if the system is needlessly convoluted, it is in the interest of consumers, the State, and commerce in general to simplify the contractor licensing structure.

Your Committee has amended this measure by:

- (1) Condensing the language of several WHEREAS and BE IT RESOLVED clauses for clarity and conciseness; and
- (2) Changing the makeup of the task force to consist of:
  - (A) Five representatives selected by the General Contractors Association of Hawaii and the Building Industry Association of Hawaii;
  - (B) Five representatives selected by the Subcontractors Association of Hawaii;
  - (C) The Executive Officer of the Contractors License Board;
  - (D) One appointed member of the Contractors License Board representing general contractors and one appointed member of the Contractors License Board representing subcontractors; and
  - (E) The Administrator of the State Procurement Office or the Administrator's designee.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 104, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 104, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Ihara, Sakamoto).

**SCRep. 3089 Commerce and Consumer Protection on S.C.R. No. 42**

The purpose of this measure is to demonstrate Legislative support for the maintenance of locally-based pharmacy and therapeutics committees to make decisions on drug formulary and drug prior authorization policies of all health insurance plans doing business in Hawaii, including those under contract with Hawaii Med-QUEST.

Testimony in support of this measure was submitted by the Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that some Hawaii insurance plans are outsourcing determination of drug formularies and drug prior authorization policies to out-of-state pharmacy benefit managers. This outsourcing is resulting in a decrease of Hawaii jobs and drug policies that are unreasonable and burdensome for doctors, pharmacies, and patients. Your Committee further finds that these burdens are resulting in some doctors limiting acceptance of health insurance plans, which is negatively impacting patient access to care.

Your Committee hopes that locally-based pharmacy and therapeutics committees will be maintained to make decisions on drug formulary and drug prior authorization policies that reflect the practical and market realities of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 42, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 3090 Commerce and Consumer Protection on S.R. No. 27**

The purpose of this measure is to demonstrate Legislative support for the maintenance of locally-based pharmacy and therapeutics committees to make decisions on drug formulary and drug prior authorization policies of all health insurance plans doing business in Hawaii, including those under contract with Hawaii Med-QUEST.

Testimony in support of this measure was submitted by the Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that some Hawaii insurance plans are outsourcing determination of drug formularies and drug prior authorization policies to out-of-state pharmacy benefit managers. This outsourcing is resulting in a decrease of Hawaii jobs and drug

policies that are unreasonable and burdensome for doctors, pharmacies, and patients. Your Committee further finds that these burdens are resulting in some doctors limiting acceptance of health insurance plans, which is negatively impacting patient access to care.

Your Committee hopes that locally-based pharmacy and therapeutics committees will be maintained to make decisions on drug formulary and drug prior authorization policies that reflect the practical and market realities of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 27, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 27, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 3091 (Majority) Commerce and Consumer Protection on S.C.R. No. 123**

The purpose of this measure is to urge the Board of Naturopathic Medicine to immediately adopt administrative rules that:

- (1) Allow the use of parenteral therapy by naturopathic physicians in accordance with Act 22, Special Session Laws of Hawaii 2009; and
- (2) Grandfather all persons licensed under chapter 455, Hawaii Revised Statutes, to allow those persons to perform intramuscular, subcutaneous, and intravenous injections and to prescribe, administer, and dispense naturopathic formulary substances manufactured for injection.

Testimony in support of this measure with amendments was submitted by one individual. Testimony commenting on this measure was submitted by the Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that in passing Act 22, Special Session Laws of Hawaii 2009, it was the Legislature's intent to allow naturopathic physicians to perform parenteral therapies. Your Committee further finds that the Legislature delayed the effective date of the prohibition on parenteral therapy to provide the Board of Naturopathic Medicine with sufficient time to establish the required rules, which it has failed to do. As a result, patients' parenteral care regimens have been needlessly interrupted, detrimentally impacting patient care. Your Committee hopes that the Board of Naturopathic Medicine will correct the problems associated with its tardiness by adopting the necessary administrative rules with all possible speed.

Your Committee has amended this measure by making technical, nonsubstantive changes to insure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 123, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 123, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Green). Noes, 1 (Hemmings). Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 3092 (Majority) Commerce and Consumer Protection on S.R. No. 53**

The purpose of this measure is to urge the Board of Naturopathic Medicine to immediately adopt administrative rules that:

- (1) Allow the use of parenteral therapy by naturopathic physicians in accordance with Act 22, Special Session Laws of Hawaii 2009; and
- (2) Grandfather all persons licensed under chapter 455, Hawaii Revised Statutes, to allow those persons to perform intramuscular, subcutaneous, and intravenous injections and to prescribe, administer, and dispense naturopathic formulary substances manufactured for injection.

Testimony in support of this measure with amendments was submitted by one individual. Testimony commenting on this measure was submitted by the Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that in passing Act 22, Special Session Laws of Hawaii 2009, it was the Legislature's intent to allow naturopathic physicians to perform parenteral therapies. Your Committee further finds that the Legislature delayed the effective date of the prohibition on parenteral therapy to provide the Board of Naturopathic Medicine with sufficient time to establish the required rules, which it has failed to do. As a result, patients' parenteral care regimens have been needlessly interrupted, detrimentally impacting patient care. Your Committee hopes that the Board of Naturopathic Medicine will correct the problems associated with its tardiness by adopting the necessary administrative rules with all possible speed.

Your Committee has amended this measure by making technical, nonsubstantive changes to insure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 53, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 53, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Green). Noes, 1 (Hemmings). Excused, 3 (Ige, Ihara, Sakamoto).



**SCRep. 3093 Ways and Means on S.C.R. No. 6**

The purpose of this measure is to authorize the Board of Land and Natural Resources to cancel the current non-exclusive easement of state submerged land in Lahaina, Maui, held by the Lakala Trust, and to authorize the Board to issue a new term non-exclusive easement to the Trust.

Your Committee received written comments in support of this measure from a concerned individual. The Department of Land and Natural Resources submitted written comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Lakala Trust's current non-exclusive easement for state submerged land in Lahaina, Maui, will expire on May 24, 2012. Due to the expiration of the non-exclusive agreement, the Lakala Trust is unable to refinance the property. By authorizing the Board of Land and Natural Resources to cancel the current non-exclusive agreement and issue a new term non-exclusive agreement, the Lakala Trust will be able to refinance its mortgage and to continue the repair and maintenance of the wooden decks and concrete piers that extend over submerged land.

Your Committee also finds that the Lahainaluna High School boarding program is a vital component of the educational service provided by the school. The boarding program allows students from neighbor islands and remote areas on Maui to live in dormitories on campus, in exchange for reasonable custodial and maintenance work on the school grounds. Your Committee believes that the Lahainaluna High School boarding program provides opportunities for students to grow and mature and adds value to the school and student body.

Accordingly, your Committee has amended this measure by:

- (1) Including information about the importance of the Lahainaluna High School boarding program;
- (2) Changing the title and adding new language to the measure urging the Department of Education to continue the Lahainaluna High School boarding program;
- (3) Requesting the Department of Education to convene a Lahainaluna Boarding Program Working Group that includes representation from named stakeholders;
- (4) Requesting the Lahainaluna Boarding Program Working Group to evaluate the boarding program and to submit a report to the Legislature on its finding and recommendations;
- (5) Adding that certified copies of the Concurrent Resolution be sent to the Governor, Chairperson of the Board of Education, Superintendent of Education, Principal of Lahainaluna High School, and Trustee of the Lakala Trust; 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 concurs with the intent and purpose of S.C.R. No. 6, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 6, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Galuteria, Hee, Hooser).

**SCRep. 3094 Ways and Means on S.C.R. No. 18**

The purpose of this measure is to request the Auditor to conduct a financial and management audit of the Department of Education.

Your Committee conducted a public hearing on a proposed draft of this concurrent resolution. The purpose of the proposed draft was to establish a joint legislative special investigating committee to oversee the investigation of the Department of Budget and Finance's handling of the State's investment in student loan auction rate securities. Under the proposed draft, the joint legislative committee will be given various powers and functions including:

- (1) Adopting rules for the conduct of its proceedings;
- (2) Issuing subpoenas;
- (3) Holding hearings;
- (4) Administering oaths;
- (5) Reporting or certifying instances of contempt;
- (6) Determining how a record will be made of its proceedings;
- (7) Providing for the submission, by a witness's own counsel and counsel for another individual or entity about whom the witness has devoted substantial or important portions of the witness's testimony, of written questions to be asked of the witness by the chair; and
- (8) Exercising all other powers with respect to an investigating committee.

Further, the proposed draft allows the Senate President and the Speaker of the House of Representatives, from time to time, to refer to the joint legislative committee specific matters that are within the scope of the committee's jurisdiction. The joint legislative committee is requested to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft and amending the proposed draft by:

- (1) Clarifying that there is established a joint legislative investigating committee;
- (2) Providing for the dissolution of the joint legislative investigating committee upon the submission of its report to the Legislature;
- (3) Adding a reference to the appropriate provision of the Rules of the House of Representatives; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee finds that the State is suffering an estimated loss of at least \$254,000,000 from a total state investment of \$1,100,000,000 made through the Department of Budget and Finance in student loan auction rate securities. Due to the collapse of the student loan auction rate securities market, the assets are frozen and the State is unable to utilize the securities.

Furthermore, the Auditor has found that a portion of the student loan auction rate securities was purchased in violation of state laws that specify the maximum period of maturity and the required minimum financial rating for state investment purchases. The Auditor also cited several inadequacies, including failures in oversight on the part of the Department of Budget and Finance.

In light of the widespread disagreement among the Auditor, the Director of Finance, and the Administration regarding the legality and fiscal integrity of the student loan auction rate securities investments, your Committee finds that establishing a joint legislative investigating committee will help to resolve the issues in dispute and will provide assistance to the Legislature in formulating any future corrective policies.

As 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. 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, 9. Noes, none. Excused, 3 (Galuteria, Hee, Hooser).

**SCRep. 3095 (Majority) Ways and Means on S.C.R. No. 77**

The purpose of this concurrent resolution is to request that the Auditor conduct a follow-up audit of the management of state boating facilities by the Division of Boating and Ocean Recreation of the Department of Land and Natural Resources.

Your Committee received written comments in support of this concurrent resolution from the Hawaii Boaters Political Action Association. The Department of Land and Natural Resources submitted comments on the concurrent resolution. The written comments may be reviewed on the Legislature's website.

Your Committee finds that management audits, conducted by the Auditor in 1993, 1998, and 2001 of state boating facilities, found that inadequate management by the Department of Land and Natural Resources was a recurring problem. The 2001 audit report also found that the Division of Boating and Ocean Recreation lacked controls necessary to ensure the accuracy and integrity of its financial affairs. Your Committee also finds that mismanagement and neglect by the Division of Boating and Ocean Recreation has led to the deterioration of state boating facilities. Your Committee further notes that a financial audit conducted in 2006 found that, although some of the prior recommendations regarding the Division of Boating and Ocean Recreation had been implemented, a lack of effective management oversight continued to persist.

Your Committee has amended this concurrent resolution 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 concurs with the intent and purpose of S.C.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, 1 (Hemmings). Excused, 3 (Galuteria, Hee, Hooser).

**SCRep. 3096 (Majority) Ways and Means on S.R. No. 33**

The purpose of this resolution is to request that the Auditor conduct a follow-up audit of the management of state boating facilities by the Division of Boating and Ocean Recreation of the Department of Land and Natural Resources.

Your Committee received written comments in support of this resolution from the Hawaii Boaters Political Action Association. The Department of Land and Natural Resources submitted comments on the resolution. The written comments may be reviewed on the Legislature's website.

Your Committee finds that management audits, conducted by the Auditor in 1993, 1998, and 2001 of state boating facilities, found that inadequate management by the Department of Land and Natural Resources was a recurring problem. The 2001 audit report also found that the Division of Boating and Ocean Recreation lacked controls necessary to ensure the accuracy and integrity of its financial affairs. Your Committee also finds that mismanagement and neglect by the Division of Boating and Ocean Recreation has led to the deterioration of state boating facilities. Your Committee further notes that a financial audit conducted in 2006 found that, although some of the prior recommendations regarding the Division of Boating and Ocean Recreation had been implemented, a lack of effective management oversight continued to persist.

Your Committee has amended this resolution 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 concurs with the intent and purpose of S.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 33, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, 1 (Hemmings). Excused, 4 (Galuteria, Hee, Hooser, Kokubun).

**SCRep. 3097 (Majority) Ways and Means on S.C.R. No. 78**

The purpose of this measure is to request the Auditor to conduct a management and financial audit of all contracts between the Department of Taxation and CGI Technologies and Solutions, Inc., and its predecessor American Management Systems, Inc.

A concerned individual submitted testimony in support of this concurrent resolution. The Department of Taxation submitted comments on this concurrent resolution. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, in 1999, the Department of Taxation entered into a benefits funded contract with American Management Systems, Inc., which later became CGI Technologies and Solutions, Inc., to create the Integrated Tax Information Management System project. Your Committee also finds that, from 2005 to 2008, the Department of Taxation contracted with CGI Technologies and Solutions, Inc., through a sole source procurement exemption for over \$60,000,000 related to the Integrated Tax Information Management System. Your Committee further finds that, in 2008, the Department of Taxation entered into another contract with CGI Technologies and Solutions, Inc. for the collection of delinquent taxes.

Your Committee finds that concerns have been raised regarding the possibility that potential witnesses have been discouraged from coming forward to testify regarding the Department of Taxation's contracts with CGI Technologies and Solutions, Inc. Your Committee further finds that concerns have been raised regarding who will perform the functions currently performed by employees of CGI Technologies and Solutions, Inc., after the current delinquent tax collection contract ends.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Urging the Auditor to use all powers granted to the Auditor by the Hawaii Constitution and the Hawaii Revised Statutes, including the power to issue subpoenas to compel the appearance of witnesses and the production of documents, to the fullest extent necessary in the investigation of contracts between the Department of Taxation and CGI Technologies and Solutions, Inc.;
- (2) Requesting the Department of Taxation to establish and implement a transition plan wherein department personnel shall assume all functions performed by employees of CGI Technologies and Solutions, Inc., under the current delinquent tax collection contract;
- (3) Requesting the Department of Taxation to report to the Legislature on the development and implementation of the transition plan no later than August 31, 2010; and
- (4) 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 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, 8. Noes, 1 (Hemmings). Excused, 3 (Galuteria, Hee, Hooser).

**SCRep. 3098 Ways and Means on S.C.R. No. 108**

The purpose of this measure is to request the convening of a task force to establish a consistent funding formula, process, or both, to be used by all agencies in the calculation of charter school funding.

Your Committee received written comments in support of this measure from the Department of Education and the Charter School Administrative Office. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the calculation of per-pupil funding to charter schools is often inconsistent because of disagreement over what is included and excluded in the calculation. Your Committee further finds that the convening of a task force to determine a consistent funding formula, process, or both, will help achieve equitable funding for charter schools.

Your Committee has amended this measure by:

- (1) Clarifying that this measure is not intended to hinder or impede the enactment of legislation addressing issues relating to charter school funding during the Regular Session of 2010 or any Special Session of 2010 that may be convened; 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 concurs with the intent and purpose of S.C.R. No. 108, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 108, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Hee, Hooser, Kokubun).

**SCRep. 3099 Ways and Means on S.C.R. No. 110**

The purpose of this measure is to request that the Department of Education and University of Hawaii establish a working group to develop a comprehensive plan to improve awareness of and strengthen support for persons with dyslexia.

More specifically, this measure seeks to improve awareness of and strengthen support for persons with dyslexia partly through the provision of training for educators in the State by the 2012-2013 school year. The measure requests that the training include technical

assistance and training in the early identification and assessment of dyslexia, and on the direct, explicit, and systematic research-based instruction of students in oral and written language. The measure also requests the working group to submit a comprehensive plan to the Legislature prior to the Regular Session of 2012 and requests the Legislative Reference Bureau to assist the working group by providing legislative drafting services.

Written comments in support of this measure were submitted by Assets School, Hawaii Association of Independent Schools, Hawaii Disability Rights Center, The International Dyslexia Association, Special Education Advisory Council, and twenty-three concerned individuals. The Legislative Reference Bureau submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that dyslexia is a specific learning disability that is characterized by difficulties with accurate or fluent word recognition, or both, and poor spelling and decoding abilities. Despite their intelligence, students with dyslexia struggle with many or all facets of learning how to read, spell, and write. Your Committee also finds that dyslexia and other reading disabilities affect a significant number of students in Hawaii. Further, your Committee believes that the working group requested by this measure will improve awareness of dyslexia and is the beginning of a coordinated statewide plan to enhance learning and improve the lives of students whose learning is hampered by dyslexia.

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 concurs with the intent and purpose of S.C.R. No. 110, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 110, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Hee, Hooser, Kokubun).

**SCRep. 3100 Ways and Means on S.C.R. No. 120**

The purpose of this measure is to express support for the Hawaii Public Housing Authority's plan to implement the tenant monitor program.

Additionally, this measure requests the Hawaii Public Housing Authority to:

- (1) Provide either free rent or partial rental assistance to resident managers under the tenant monitor program; and
- (2) Submit a report to the Legislature on the status of the tenant monitor program with the United States Department of Housing and Urban Development.

Written comments in support of the concurrent resolution were submitted by the Hawaii Public Housing Authority. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Public Housing Authority is contemplating implementing a tenant monitor program, under which resident managers are designated as points of contact to be immediately available for emergency situations when property management is unavailable. The resident managers would be authorized to allow police to enter property, direct police to appropriate units of sections of the housing projects, and confirm whether individuals reside on the property.

Recent violence between residents of two housing projects has resulted in a curfew for certain projects. Concern for the safety of housing projects makes this concurrent resolution even more significant.

Accordingly, your Committee has amended this measure by:

- (1) Changing its title to "Requesting the Hawaii Public Housing Authority to Improve the Safety of the Residents of its Housing Projects and Expressing Support for the Authority's Plan to Implement the Tenant Monitor Program";
- (2) Adding language relating to recent violence in public housing projects that expresses support for residents' safety and clarifying the need for a Tenant Monitor Program;
- (3) Directing rather than encouraging, the Hawaii Public Housing Authority to provide free or reduced rent to the designated resident manager;
- (4) Requesting that the Hawaii Public Housing Authority adopt administrative rules or recommend legislation to ban the possession of any open liquor container on any sidewalk or common area of a public housing project under its jurisdiction and to provide greater oversight on non-residents on public housing project premises; and
- (5) 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 concurs with the intent and purpose of S.C.R. No. 120, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 120, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Hee, Hooser, Kokubun).

**SCRep. 3101 Ways and Means on S.C.R. No. 233**

The purpose of this concurrent resolution is to request the Attorney General to investigate activities surrounding the State's purchase of auction rate securities and to take legal action, as appropriate.

Your Committee finds that the State's holdings of student loan auction rate securities have declined in market value from \$1,000,000,000 to approximately \$750,000,000 because of a collapse in the auction rate securities market. The State, therefore, has

been unable to sell its securities at this time without incurring a \$250,000,000 loss. Your Committee further finds that it is necessary to protect the public interest by investigating the State's purchase of auction rate securities and taking legal action if necessary.

Your Committee finds that concerns have been raised regarding whether the Attorney General should be the party to conduct the investigation.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Providing that the Legislature may contract with a private attorney to conduct the investigation if the Legislature determines that the Attorney General either has a conflict of interest or has taken positions on relevant issues that may raise questions as to the Attorney General's objectivity in conducting the investigation; 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 concurs with the intent and purpose of S.C.R. No. 233, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 233, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 3102 Ways and Means on S.C.R. No. 234**

The purpose of this measure is to request the Attorney General to investigate whether transient accommodations and general excise taxes on the internet sale of hotel room accommodations are being assessed, collected, and remitted to the State and to take appropriate legal action as necessary.

Your Committee finds that internet travel services, such as Expedia and Orbitz offer competitive travel rates and ease of purchase for travelers worldwide. These services include package rates for travel, lodging, and other amenities that are paid for online and not upon arrival at a destination. If these sales were conducted in the State or by travel agents, the transient accommodations tax and the general excise tax would have been assessed and collected. It is unclear whether internet travel service providers are collecting and remitting the applicable transient accommodations tax and the general excise tax to the State.

Revenues from the transient accommodations tax and the general excise tax support not only the activities of Hawaii's visitor industry, but provide critical financial support to the four counties, especially during the current economic crisis.

Your Committee therefore finds that it is justified and appropriate to request the Attorney General to investigate, take appropriate legal action, and to report to the Legislature on whether the transient accommodations tax and the general excise tax on the internet sale of transient accommodations are being assessed, collected, and remitted to the State.

Your Committee has amended the measure by:

- (1) Changing the title and "Be it Resolved" clause to clarify that the scope of the Attorney General's investigation is to include all transient accommodations that are subject to the transient accommodations tax and the general excise tax; 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 Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 234, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 234, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9; Ayes with Reservations (Kidani). Noes, none. Excused, 3 (Galuteria, Hee, Hooser).

**SCRep. 3103 Economic Development and Technology on S.C.R. No. 138**

The purpose of this measure is to request the Hawai'i Capital Cultural Coalition to provide a status report to the 2011 Legislature on:

- (1) The organization's development of the management plan required as part of the proposed designation of the Hawai'i Capital National Heritage Area;
- (2) The organization's efforts to address concerns raised by residential property owners and others during the 2009 Legislature's hearing process on S.C.R. No. 3 and H.C.R. No. 213, as well as current outreach efforts to area property owners, individuals, commercial entities, and others; and
- (3) Any concerns or other issues raised during the outreach efforts and how these will be addressed in the management plan.

Testimony in support of this measure was submitted by the Hawai'i Capital Cultural Coalition and the Chinatown Improvement District. Comments were submitted by the Merchant Street Hawaiian Civic Club, Tantalus Community Association, Papakolea Community Association, Kewalo Hawaiian Homestead Association, Kalawahine Streamside Community Association, The Woodlands at Nuuanu, and eleven individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that during the 2009 Legislature's hearing process on S.C.R. No. 3 and H.C.R. No. 213, regarding the designation of the Hawaii Capital Cultural District as a National Heritage Area, numerous concerns were raised by residential property owners and others regarding the Hawai'i Capital Cultural Coalition's efforts to address concerns about the impact of the National Heritage Area on property owners. In the year since those initial hearings, your Committee has heard from many of the same



concerned individuals and organizations that little has changed regarding the lack of collaboration with the surrounding communities, and there is a growing frustration that their voices are not being heard or their concerns addressed.

Your Committee notes that much of the testimony on this measure is in opposition to the Hawaii Capital National Heritage Area and more specifically, the inclusion in it of these owners' commercial and/or residential properties. Your Committee believes that such an important undertaking must have strong "buy-in" from those affected by the decision or the designation of a National Heritage Area will not reap the maximum benefits for the State.

Your Committee has amended this measure by:

- (1) Changing the date the status report is due from twenty days prior to the Regular Session of 2011 to July 1, 2010;
- (2) Adding to the status report:
  - (A) The feasibility and desirability of reducing the area of the proposed National Heritage Area from its present size to the area immediately surrounding the State Capitol or the Capitol District: the area bounded by Richards Street and Queen Emma Street to the west, Vineyard Boulevard to the north, Ward Avenue to the east, and Nimitz Highway to the south; and
  - (B) The desirability of including mandatory notification and opt in/opt out provisions in the federal legislation in order to safeguard the rights of private property owners within the National Heritage Area;
- (3) Adding Hawaii's congressional delegation; state and county legislators representing Kaka'ako, Downtown, Chinatown, Nu'uauu, Makiki-Tantalus, Kapalama, and Liliha; the Chairs of the Oahu Neighborhood Boards No. 10 (Makiki-Tantalus), No. 12 (Nu'uauu-Punchbowl), No. 13 (Downtown), No. 14 (Liliha-Alewa); the Chairs of the Tantalus Community Association, Papakolea Community Association, Kewalo Hawaiian Homestead Association, and Kalawahine Streamside Community Association; and the President of The Woodlands at Nu'uauu to the list of those receiving a copy of the measure; and
- (4) Making technical 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 Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 138, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 138, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

#### **SCRep. 3104 Economic Development and Technology on S.R. No. 56**

The purpose of this measure is to request the Hawai'i Capital Cultural Coalition to provide a status report to the 2011 Legislature on:

- (1) The organization's development of the management plan required as part of the proposed designation of the Hawai'i Capital National Heritage Area;
- (2) The organization's efforts to address concerns raised by residential property owners and others during the 2009 Legislature's hearing process on S.C.R. No. 3 and H.C.R. No. 213, as well as current outreach efforts to area property owners, individuals, commercial entities, and others; and
- (3) Any concerns or other issues raised during the outreach efforts and how these will be addressed in the management plan.

Testimony in support of this measure was submitted by the Hawai'i Capital Cultural Coalition and the Chinatown Improvement District. Comments were submitted by the Merchant Street Hawaiian Civic Club, Tantalus Community Association, Papakolea Community Association, Kewalo Hawaiian Homestead Association, Kalawahine Streamside Community Association, The Woodlands at Nuuanu, and eleven individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that during the 2009 Legislature's hearing process on S.C.R. No. 3 and H.C.R. No. 213, regarding the designation of the Hawaii Capital Cultural District as a National Heritage Area, numerous concerns were raised by residential property owners and others regarding the Hawai'i Capital Cultural Coalition's efforts to address concerns about the impact of the National Heritage Area on property owners. In the year since those initial hearings, your Committee has heard from many of the same concerned individuals and organizations that little has changed regarding the lack of collaboration with the surrounding communities, and there is a growing frustration that their voices are not being heard or their concerns addressed.

Your Committee notes that much of the testimony on this measure is in opposition to the Hawaii Capital National Heritage Area and more specifically, the inclusion in it of these owners' commercial and/or residential properties. Your Committee believes that such an important undertaking must have strong "buy-in" from those affected by the decision or the designation of a National Heritage Area will not reap the maximum benefits for the State.

Your Committee has amended this measure by:

- (1) Changing the date the status report is due from twenty days prior to the Regular Session of 2011 to July 1, 2010;
- (2) Adding to the status report:
  - (A) The feasibility and desirability of reducing the area of the proposed National Heritage Area from its present size to the area immediately surrounding the State Capitol or the Capitol District: the area bounded by Richards Street and Queen



Emma Street to the west, Vineyard Boulevard to the north, Ward Avenue to the east, and Nimitz Highway to the south; and

- (B) The desirability of including mandatory notification and opt in/opt out provisions in the federal legislation in order to safeguard the rights of private property owners within the National Heritage Area;
- (3) Adding Hawaii's congressional delegation; state and county legislators representing Kaka'ako, Downtown, Chinatown, Nu'uano, Makiki-Tantalus, Kapalama, and Liliha; the Chairs of the Oahu Neighborhood Boards No. 10 (Makiki-Tantalus), No. 12 (Nu'uano-Punchbowl), No. 13 (Downtown), No. 14 (Liliha-Alewa); the Chairs of the Tantalus Community Association, Papakolea Community Association, Kewalo Hawaiian Homestead Association, and Kalawahine Streamside Community Association; and the President of The Woodlands at Nu'uano to the list of those receiving a copy of the measure; and
- (4) Making technical 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 Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 3105 (Joint/Majority) Education and Housing and Labor on S.C.R. No. 141**

The purpose of this measure is to request that the Legislative Reference Bureau assess the classification and compensation plans of public, local, and national K-12 and higher education organizations and institutions and recommend systems or plans that may accommodate the Department of Education's need to retain, promote, and competitively compensation professional employees in areas that require special skills without requiring those employees to assume supervisory responsibilities.

More specifically, this concurrent resolution requests that the Legislative Reference Bureau submit a report that includes but is not limited to the following:

- (1) Various types of classification and compensation plans in K-12 and higher education organizations and institutions that may allow for competitive salaries for high-skilled professional or managerial positions that may not necessarily require supervisory responsibilities;
- (2) The collective bargaining issues surrounding the possible establishment of a classification and compensation system in the Department of Education similar to the executive/managerial system at the University of Hawaii;
- (3) Consideration of expanding Educational Officer studies previously conducted by the Department of Human Resources Development to develop clear and concise classes that allow for positions to be classified without requiring assumption of supervisory responsibilities; and
- (4) The advantages and disadvantages of a system, similar to the University of Hawaii executive/management system, that allows for negotiations of initial salaries within established ranges with proper approval, and salary adjustments based on performance evaluations rather than across-the-board adjustments.

Your Committees received testimony in support of the intent of the measure from a state agency. A state agency and a private organization provided comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that it is important for the Department of Education to find a way to retain, promote, and competitively compensate its educational officers. Your Committees further find that pursuant to Act 51, Session Laws of Hawaii 2004, the Department of Education was directed to adopt separate classification/compensation plans: one for principals and vice principals and one for all other education officers.

Your Committees have amended this measure by:

- (1) Changing the title of this Concurrent Resolution to read:  
"SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF SYSTEMS OR PLANS THAT MAY ACCOMMODATE THE DEPARTMENT OF EDUCATION'S NEED TO RETAIN, PROMOTE, AND COMPETITIVELY COMPENSATION PROFESSIONAL EMPLOYEES IN CERTAIN AREAS, WITHOUT REQUIRING THOSE EMPLOYEES TO ASSUME SUPERVISORY RESPONSIBILITIES, AND A STUDY OF THE ADVANTAGES AND DISADVANTAGES OF THE DEPARTMENT OF EDUCATION'S ADOPTION OF A SYSTEM SIMILAR TO THE UNIVERSITY OF HAWAII'S EXECUTIVE/MANAGEMENT SYSTEM";
- (2) Clarifying that the Legislative Reference Bureau review the various types of classification and compensation plans of selected public education organizations;
- (3) Clarifying that the employees to be covered in the Legislative Reference Bureau's report are educational officers, other than principals and vice principals, that are in highly-skilled professional or managerial positions that may not necessarily require supervisory responsibilities;
- (4) Requesting the Legislative Reference Bureau to review the Watson Wyatt report, entitled "Review of the Current Classification and Compensation Systems of Educational Officers and Professional Employees and Recommendations";
- (5) Requesting the University of Hawaii to conduct a separate study that reports on the University's executive/management system that allows for negotiations of initial salaries within established ranges, allowances for salaries outside of established

ranges with proper approval, and salary adjustments based on performance evaluations rather than across-the-board adjustments;

- (6) Requesting that the University of Hawaii's report address the advantages and disadvantages of the executive/management system and the collective bargaining issues that were involved in the establishment of the system;
- (7) Deleting the provision that requested consideration of expanding educational officer studies previously conducted by the Department of Human Resources Development; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 141, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 141, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 4 (Bunda, Chun Oakland, Hee, Hemmings).

**SCRep. 3106 (Joint) Health and Judiciary and Government Operations on S.C.R. No. 211**

The purpose of this measure is to request a working group to examine overlap and conflicts among patient care directives recognized in Hawaii.

Testimony in support of this measure was submitted by two individuals. Testimony in support of this measure with amendments was submitted by the Healthcare Association of Hawaii and Kokua Mau. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that salient end of life directives are a vital part of implementing effective and sensitive patient care. Your Committees further recognize that each of the many different types of health care directives covers different aspects of complex health care circumstances but that their numerosity is confusing to laypersons and can discourage participation. Your Committees hope that this working group will condense and simplify health care directives, where possible, without sacrificing substance or nuance.

Your Committees have amended this measure by:

- (1) Expanding the procedures and directives that the working group will examine to include all patient care directives recognized in Hawaii; and
- (2) Postponing submission of the working group's report to the Legislature until 2012 to allow additional time to examine the effectiveness of physician orders for life sustaining treatment, which only came into effect in 2009.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 211, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 211, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Gabbard, Green, Hemmings, Slom).

**SCRep. 3107 (Joint) Public Safety and Military Affairs and Economic Development and Technology on S.C.R. No. 174**

The purpose of this measure is to designate the Pacific Aviation Museum-Pearl Harbor as the State Museum of Aerospace History, and to designate the aerospace historical experts at the Pacific Aviation Museum-Pearl Harbor as the curators of the State's historical aerospace artifacts.

This measure also:

- (1) Requests the State Museum of Aerospace History to establish, as one of its missions, a service to help the State to maintain and preserve its valuable aerospace artifacts;
- (2) Requests the State Historic Preservation Division of the Department of Land and Natural Resources to include aerospace history as part of the State's historic preservation efforts; and
- (3) Empowers the aerospace historical experts at the Pacific Aviation Museum-Pearl Harbor as aerospace historical consultants to state agencies.

Your Committees received testimony in support of this measure from one state department, one military auxiliary entity, and five private entities. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Hawaii has a long and rich history in aviation, beginning with World War II and extending through the current aerospace age of space exploration. Aerospace is also a strategic growth industry for Hawaii's future that offers scientific, educational, and commercial opportunities. However, it must not be forgotten that the roots of today's aerospace is in yesterday's aviation history. This measure is also a reminder, a tribute, and a memorial to aviation in the Pacific and to Pearl Harbor on December 7, 1941.

Additionally, the State needs to develop a unified approach to working with the military to preserve aerospace history as required by the National Historic Preservation Act. No state agency is currently charged with the responsibility of preserving Hawaii's aerospace history. As a consequence, the experts at the Pacific Aviation Museum-Pearl Harbor act as the State's aerospace history curators.

Your Committees have amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 174, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 174, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Bunda, English, Hee, Hemmings).

**SCRep. 3108 (Joint) Public Safety and Military Affairs and Economic Development and Technology on S.R. No. 77**

The purpose of this measure is to designate the Pacific Aviation Museum-Pearl Harbor as the State Museum of Aerospace History, and to designate the aerospace historical experts at the Pacific Aviation Museum-Pearl Harbor as the curators of the State's historical aerospace artifacts.

This measure also:

- (1) Requests the State Museum of Aerospace History to establish, as one of its missions, a service to help the State to maintain and preserve its valuable aerospace artifacts;
- (2) Requests the State Historic Preservation Division of the Department of Land and Natural Resources to include aerospace history as part the State's historic preservation efforts; and
- (3) Empowers the aerospace historical experts at the Pacific Aviation Museum-Pearl Harbor as aerospace historical consultants to state agencies.

Your Committees received testimony in support of this measure from one state department, one military auxiliary entity, and five private entities. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Hawaii has a long and rich history in aviation, beginning with World War II and extending through the current aerospace age of space exploration. Aerospace is also a strategic growth industry for Hawaii's future that offers scientific, educational, and commercial opportunities. However, it must not be forgotten that the roots of today's aerospace is in yesterday's aviation history. This measure is also a reminder, a tribute, and a memorial to aviation in the Pacific and to Pearl Harbor on December 7, 1941.

Additionally, the State needs to develop a unified approach to working with the military to preserve aerospace history as required by the National Historic Preservation Act. No state agency is currently charged with the responsibility of preserving Hawaii's aerospace history. As a consequence, the experts at the Pacific Aviation Museum-Pearl Harbor act as the State's aerospace history curators.

Your Committees have amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 77, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 77, S.D. 1.

Signed by the Chairs on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Bunda, English, Hee, Hemmings).

**SCRep. 3109 Public Safety and Military Affairs on S.C.R. No. 172**

The purpose of this measure is to request the Judiciary to focus the study on offenders being sentenced for an offense involving the possession of a dangerous, harmful, or detrimental drug or marijuana under part IV of chapter 712, Hawaii Revised Statutes, or an offense involving the use of, or possession with intent to use, drug paraphernalia to inject, ingest, inhale, or otherwise introduce a controlled substance into the human body.

Your Committee has deleted the contents of this measure and substituted language as a proposed Senate Draft 1 to request the Department of Public Safety to identify up to five hundred inmates who could be involved in a day reporting center and be monitored twenty-four hours per day, seven days a week by electronic means.

Your Committee received testimony in support of this measure from one government entity, three private entities, and three individuals. Testimony in opposition was received from one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This amended measure, among other things, also specifies that the Department of Public Safety aggressively collaborate with churches, non-profits, and other entities that are willing to provide free assistance and service to the State in these difficult economic times, and directs the Department of Public Safety and the Hawaii Paroling Authority to report to the Legislature on the progress made in implementing this measure no later than October 1, 2010, including certain specified information.

Hawaii currently has over six thousand offenders incarcerated with about two thousand serving their prison sentences on the mainland. Many offenders are incarcerated due to technical violations of their parole and not for committing another felony; or due to insufficient timely programming or lack of furlough bed spaces to assist in their final transition.

Many inmates are non-violent low risk offenders who could be placed in community-based programming with proper oversight, as for example with twenty-four hours a day/seven days a week, global positioning system (GPS) electronic monitoring to monitor offenders outside of prison facilities. Your Committee believes that there are non-profit organizations and churches that are willing to volunteer with and assist offenders who have been released from prison.

The State currently spends approximately \$134 per day to house an inmate in Hawaii and approximately \$74 a day to house an inmate on the mainland. Tax dollars spent on the mainland to house inmates would benefit Hawaii if those dollars can be redirected locally in programs, staff, and facilities. Furthermore, alternatives to incarceration in a prison or jail are less expensive for taxpayers, and alternatives to incarceration can be more beneficial for those offenders with children and families.

Your Committee has amended the proposed draft by:

- (1) Clarifying the title to request the Department of Public Safety and the Hawaii Paroling Authority to identify up to five hundred non-violent inmates who could be involved in a day reporting center, be monitored via twenty-four hour/seven days a week GPS electronic monitoring, be included in an extended work furlough program, and/or be eligible for an early release program; and
- (2) Changing the reporting date to October 1, 2010.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 172, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 172, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Bunda). Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 3110 Public Safety and Military Affairs on S.R. No. 75**

The purpose of this measure is to request the Judiciary to focus the study on offenders being sentenced for an offense involving the possession of a dangerous, harmful, or detrimental drug or marijuana under part IV of chapter 712, Hawaii Revised Statutes, or an offense involving the use of, or possession with intent to use, drug paraphernalia to inject, ingest, inhale, or otherwise introduce a controlled substance into the human body.

Your Committee has deleted the contents of this measure and substituted language as a proposed Senate Draft 1 to request the Department of Public Safety to identify up to five hundred inmates who could be involved in a day reporting center and be monitored twenty-four hours per day, seven days a week by electronic means.

Your Committee received testimony in support of this measure from one government entity, three private entities, and three individuals. Testimony in opposition was received from one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This amended measure, among other things, also specifies that the Department of Public Safety aggressively collaborate with churches, non-profits, and other entities that are willing to provide free assistance and service to the State in these difficult economic times, and directs the Department of Public Safety and the Hawaii Paroling Authority to report to the Legislature on the progress made in implementing this measure no later than October 1, 2010, including certain specified information.

Hawaii currently has over six thousand offenders incarcerated with about two thousand serving their prison sentences on the mainland. Many offenders are incarcerated due to technical violations of their parole and not for committing another felony; or due to insufficient timely programming or lack of furlough bed spaces to assist in their final transition.

Many inmates are non-violent low risk offenders who could be placed in community-based programming with proper oversight, as for example with twenty-four hours a day/seven days a week, global positioning system (GPS) electronic monitoring to monitor offenders outside of prison facilities. Your Committee believes that there are non-profit organizations and churches that are willing to volunteer with and assist offenders who have been released from prison.

The State currently spends approximately \$134 per day to house an inmate in Hawaii and approximately \$74 a day to house an inmate on the mainland. Tax dollars spent on the mainland to house inmates would benefit Hawaii if those dollars can be redirected locally in programs, staff, and facilities. Furthermore, alternatives to incarceration in a prison or jail are less expensive for taxpayers, and alternatives to incarceration can be more beneficial for those offenders with children and families.

Your Committee has amended the proposed draft by:

- (1) Clarifying the title to request the Department of Public Safety and the Hawaii Paroling Authority to identify up to five hundred non-violent inmates who could be involved in a day reporting center, be monitored via twenty-four hour/seven days a week GPS electronic monitoring, be included in an extended work furlough program, and/or be eligible for an early release program; and
- (2) Changing the reporting date to October 1, 2010.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 75, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 75, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Bunda). Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 3111 Commerce and Consumer Protection on S.C.R. No. 167**

The purpose of this measure is to request the Hawai'i State Center for Nursing to examine the establishment of a continuing education requirement for all nursing license renewals and a Hawaii nursing continuing education program in terms of feasibility, benefits, costs, obstacles, and a potential timeframe.

Testimony in support of this measure was received from the Healthcare Association of Hawaii and one individual. Testimony in support of the intent of this measure with amendments was submitted by the Board of Nursing and the Hawai'i State Center for Nursing. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that instituting a continuing education requirement and program for nurses in Hawaii will improve the quality of care that they provide by ensuring that their medical knowledge is up-to-date.

Your Committee has amended this measure by:

- (1) Removing the representative from the National Council of State Boards of Nursing from the membership of the joint advisory committee;
- (2) Providing more flexibility in the timeframe for submission of the final report and dissolving the committee in acknowledgement of the Hawai'i State Center for Nursing's concerns; and
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 167, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 167, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 3112 Commerce and Consumer Protection on S.C.R. No. 212**

The purpose of this measure is to request the Chair of the Board of Pharmacy to establish a task force to examine the feasibility of lowering the age of pharmacy-administered vaccination recipients to nine years old.

Testimony in support of this measure with amendments was received from Walgreen Co. Testimony offering comments on this measure was submitted by the Board of Pharmacy, the Hawaii Pharmacists Association, and the Legislative Reference Bureau. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that vaccinations are an integral part of health care and that, in comparison to physicians, pharmacists keep longer hours and have more locations, making them more accessible to families. In addition, your Committee finds that vaccination is often an essential element of a public health crisis response. Your Committee further finds that the task force convened by this measure will identify and address barriers to vaccination accessibility and strategies to protect the health and well-being of Hawaii children and communities.

Your Committee has amended this measure by:

- (1) Including at least one representative from the Hawaii Pharmacists Association on the task force and accordingly, including the Executive Director of the Hawaii Pharmacists Association in the list of entities to which this measure shall be transmitted; and
- (2) Including one pharmacist from a national chain that has experience in pharmacy-administered vaccinations to pediatric recipients as young as nine years of age on the task force.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 212, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 212, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 3113 Commerce and Consumer Protection on S.R. No. 108**

The purpose of this measure is to request the Chair of the Board of Pharmacy to establish a task force to examine the feasibility of lowering the age of pharmacy-administered vaccination recipients to nine years old.

Testimony in support of this measure with amendments was received from Walgreen Co. Testimony offering comments on this measure was submitted by the Board of Pharmacy, the Hawaii Pharmacists Association, and the Legislative Reference Bureau. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that vaccinations are an integral part of health care and that, in comparison to physicians, pharmacists keep longer hours and have more locations, making them more accessible to families. In addition, your Committee finds that vaccination is often an essential element of a public health crisis response. Your Committee further finds that the task force convened by this measure will identify and address barriers to vaccination accessibility and strategies to protect the health and well-being of Hawaii children and communities.

Your Committee has amended this measure by:

- (1) Including at least one representative from the Hawaii Pharmacists Association on the task force and accordingly, including the Executive Director of the Hawaii Pharmacists Association in the list of entities to which this measure shall be transmitted; and
- (2) Including one pharmacist from a national chain that has experience in pharmacy-administered vaccinations to pediatric recipients as young as nine years of age on the task force.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 108, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 108, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Ihara, Sakamoto).

**SCRep. 3114 (Joint) Health and Human Services on S.R. No. 80**



The purpose of this measure is to request that the Governor develop proposed legislation based on the Hawaii QUEST request for proposal requirements to mandate the size and extent of a managed care plan's specialty network for both QUEST and QUEST Expanded Access plans.

Your Committees received testimony in support of this measure from AlohaCare. Testimony in opposition to this measure was submitted by the Department of Human Services. Testimony in support of this measure with amendments was submitted by the Waianae Coast Comprehensive Health Center. Testimony commenting on this measure was submitted by Evercare by United Healthcare. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that inadequate provider networks have been a major barrier to access to care for Hawaii's Medicaid eligible members. This problem is particularly pernicious on the neighbor islands. Your Committees further find that the lack of adequate specialty provider networks results in delays in treatment and reduced program cost-efficiency.

Your Committees have amended this measure by:

- (1) Removing references to the California's Knox-Keene Health Care Service Plan Act of 1975 and replacing them with references to the current Hawaii QUEST request for proposal requirements;
- (2) Including the request that plans certify that they have a contracted network that meets minimum request for proposal standards before receiving any QUEST or QUEST Expanded Access contract awards;
- (3) Requesting that for federally designated Medically Underserved Areas, access to transportation, translation, and outreach services, and additionally for QUEST Expanded Access that management agencies, nursing facilities, and long term care, will be provided in a timely manner; and
- (4) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 80, as amended herein, and recommend that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.R. No. 80, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmmings).

**SCRep. 3115 (Joint) Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs on S.C.R. No. 224**

The purpose of this measure is to request the Comptroller and the Stadium Authority to provide an update and presentation to the State Legislature on their efforts to transfer the recreational use restriction from the Aloha Stadium facilities and lands to an alternative state parcel, including projections for future funding or infrastructure obligations by state and county governments, with a report to the Legislature no later than June 30, 2010.

The Department of Accounting and General Services, the Chair of the Aloha Stadium Board, and the Aiea Community Association and Friends of the Pearl Harbor Historic Trail offered comments.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the transfer of the recreational use restriction (and accompanying prohibition against undesignated commercial activities) from the Aloha Stadium facilities and lands to an alternative state parcel is a significant undertaking that will impact the operations of the Stadium, the surrounding community, and sports organizations throughout the State.

Your Committees are particularly concerned about the lack of information provided to the public by the Stadium Authority and the Comptroller in his role as the lead on behalf of the Director of the Department of Land and Natural Resources and the State of Hawaii for the 2008 Memorandum of Understanding (Agreement) between the National Park Service and the State of Hawaii. Your Committees understand there may be some limits on site specific and other information available to the public under the Agreement, but believe there is a considerable body of information that can and should be made available, given the long-term significance of the transfer of the recreational use restriction.

If, as some Stadium Authority board members have pointed out, the purpose of transferring the prohibition against commercial activities on a portion of the Aloha Stadium lands is simply to allow a broader range of entertainment and revenue-generating activities with broad community appeal, then your Committees believe that such initiatives should be widely communicated to the Stadium's neighbors in advance. More importantly, if long-range development plans for the Aloha Stadium are expected to shift the existing mix of revenue-generating uses into more entertainment-oriented activities, the Authority should give its short-term tenants sufficient lead time to plan their transition to alternative facilities.

Your Committees would be troubled over the Stadium Authority's future direction if it appears that the Authority and Comptroller fail to communicate actively with Aloha Stadium neighbors this summer, or if master planning for a more comprehensive range of development alternatives for the Aloha Stadium facilities begins without an understanding of neighborhood concerns.

Your Committees therefore encourage the Stadium Authority and the Comptroller to learn from the Hawaii Community Development Authority's aborted redevelopment efforts in Kaka'ako makai, and to develop a collaborative community-planning dialogue with area neighbors at the earliest opportunity.

Your Committees have amended this measure by:

- (1) Adding Whereas language relating to the status of a draft easement document and the lack of public information on the entire process;
- (2) Adding to the report requirements:



- (A) A description, timeline, and status of the procedures required to transfer the recreational use restriction;
  - (B) Any requirements by the federal government to limit information available to the public, and efforts by the Comptroller and the Stadium Authority to keep the public informed of the transfer process;
  - (C) Copies of all relevant public documents;
  - (D) Specific recommendations for future uses of Aloha Stadium facilities, including public/private partnerships for commercial/retail or other types of uses; and
  - (E) Projections for future funding or infrastructure obligations for the Aloha Stadium site or alternative recreational sites by state government;
- (3) Changing the reporting date from June 30, 2010, to September 1, 2010; and
  - (4) Adding the Aiea Community Association, Pearl City Community Association, and Aiea-Pearl City Business Association to those receiving a copy of the measure.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology 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. 224, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 224, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 3116 (Joint) Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs on S.R. No. 115**

The purpose of this measure is to request the Comptroller and the Stadium Authority to provide an update and presentation to the State Legislature on their efforts to transfer the recreational use restriction from the Aloha Stadium facilities and lands to an alternative state parcel, including projections for future funding or infrastructure obligations by state and county governments, with a report to the Legislature no later than June 30, 2010.

The Department of Accounting and General Services, the Chair of the Aloha Stadium Board, and the Aiea Community Association and Friends of the Pearl Harbor Historic Trail offered comments.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the transfer of the recreational use restriction (and accompanying prohibition against undesignated commercial activities) from the Aloha Stadium facilities and lands to an alternative state parcel is a significant undertaking that will impact the operations of the Stadium, the surrounding community, and sports organizations throughout the State.

Your Committees are particularly concerned about the lack of information provided to the public by the Stadium Authority and the Comptroller in his role as the lead on behalf of the Director of the Department of Land and Natural Resources and the State of Hawaii for the 2008 Memorandum of Understanding (Agreement) between the National Park Service and the State of Hawaii. Your Committees understand there may be some limits on site specific and other information available to the public under the Agreement, but believe there is a considerable body of information that can and should be made available, given the long-term significance of the transfer of the recreational use restriction.

If, as some Stadium Authority board members have pointed out, the purpose of transferring the prohibition against commercial activities on a portion of the Aloha Stadium lands is simply to allow a broader range of entertainment and revenue-generating activities with broad community appeal, then your Committees believe that such initiatives should be widely communicated to the Stadium's neighbors in advance. More importantly, if long-range development plans for the Aloha Stadium are expected to shift the existing mix of revenue-generating uses into more entertainment-oriented activities, the Authority should give its short-term tenants sufficient lead time to plan their transition to alternative facilities.

Your Committees would be troubled over the Stadium Authority's future direction if it appears that the Authority and Comptroller fail to communicate actively with Aloha Stadium neighbors this summer, or if master planning for a more comprehensive range of development alternatives for the Aloha Stadium facilities begins without an understanding of neighborhood concerns.

Your Committees therefore encourage the Stadium Authority and the Comptroller to learn from the Hawaii Community Development Authority's aborted redevelopment efforts in Kaka'ako makai, and to develop a collaborative community-planning dialogue with area neighbors at the earliest opportunity.

Your Committees have amended this measure by:

- (1) Adding Whereas language relating to the status of a draft easement document and the lack of public information on the entire process;
- (2) Adding to the report requirements:
  - (A) A description, timeline, and status of the procedures required to transfer the recreational use restriction;
  - (B) Any requirements by the federal government to limit information available to the public, and efforts by the Comptroller and the Stadium Authority to keep the public informed of the transfer process;
  - (C) Copies of all relevant public documents;

- (D) Specific recommendations for future uses of Aloha Stadium facilities, including public/private partnerships for commercial/retail or other types of uses; and
- (E) Projections for future funding or infrastructure obligations for the Aloha Stadium site or alternative recreational sites by state government;
- (3) Changing the reporting date from June 30, 2010, to September 1, 2010; and
- (4) Adding the Aiea Community Association, Pearl City Community Association, and Aiea-Pearl City Business Association to those receiving a copy of the measure.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 115, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 115, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 3117 Labor on S.C.R. No. 144**

The purpose of this measure is to urge the Department of Labor and Industrial Relations to meet or exceed occupational safety and health administration position benchmarks for workplace safety and health.

Testimony in support of this measure was submitted by four private organizations. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that current staffing levels of the Department of Labor and Industrial Relations (DLIR) are insufficient for the DLIR's Hawaii Occupational Safety and Health Division to fulfill its mission of workplace safety and health and administer the United States Occupational Safety and Health Administration's (OSHA) federal job safety and health standards. This measure addresses the need for a minimum level of DLIR staff to reduce risk and loss to Hawaii's private and public workers.

Your Committee has learned that the State of California has implemented a construction safety and health program through which trained private individuals presenting credentials at a construction site are allowed onto the site to determine whether or not safety and health laws are being violated. Information on potential violations is submitted to California OSHA officials, who determine what course of action, if any, should then be taken. Your Committee finds that a similar program could benefit the State of Hawaii and that the feasibility of implementing such a program in the State should be explored.

Your Committee has also heard the concerns regarding the accuracy of the information from the Construction Injury Law Firms report of February 11, 2010.

Accordingly, your Committee has amended this measure as follows:

- (1) By striking the language describing the findings of the Construction Injury Law Firms report and the number of fatalities in the construction industry that occurred between 2004 and 2008 in the nation and in Hawaii;
- (2) By adding language describing the State of California's construction safety and health program;
- (3) By requesting DLIR to perform a study on the feasibility of implementing in the State of Hawaii a program similar to California's construction safety and health program and report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011; and
- (4) By amending the title to reflect its amended purpose.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 144, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 144, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 3118 Labor on S.R. No. 65**

The purpose of this measure is to urge the Department of Labor and Industrial Relations to meet or exceed occupational safety and health administration position benchmarks for workplace safety and health.

Testimony in support of this measure was submitted by four private organizations. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that current staffing levels of the Department of Labor and Industrial Relations (DLIR) are insufficient for the DLIR's Hawaii Occupational Safety and Health Division to fulfill its mission of workplace safety and health and administer the United States Occupational Safety and Health Administration's (OSHA) federal job safety and health standards. This measure addresses the need for a minimum level of DLIR staff to reduce risk and loss to Hawaii's private and public workers.

Your Committee has learned that the State of California has implemented a construction safety and health program through which trained private individuals presenting credentials at a construction site are allowed onto the site to determine whether or not safety and health laws are being violated. Information on potential violations is submitted to California OSHA officials, who determine what course of action, if any, should then be taken. Your Committee finds that a similar program could benefit the State of Hawaii and that the feasibility of implementing such a program in the State should be explored.

Your Committee has also heard the concerns regarding the accuracy of the information from the Construction Injury Law Firms report of February 11, 2010.

Accordingly, your Committee has amended this measure as follows:

- (1) By striking the language describing the findings of the Construction Injury Law Firms report and the number of fatalities in the construction industry that occurred between 2004 and 2008 in the nation and in Hawaii;
- (2) By adding language describing the State of California's construction safety and health program;
- (3) By requesting DLIR to perform a study on the feasibility of implementing in the State of Hawaii a program similar to California's construction safety and health program and report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011; and
- (4) By amending the title to reflect its amended purpose.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 65, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 65, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 3119 Labor on S.C.R. No. 128**

The purpose of this measure is to encourage all public and private employers in the State to use E-Verify to confirm employee workplace eligibility.

Testimony in support of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that ensuring job opportunities for Hawaii residents is of critical importance to the economic recovery of Hawaii's families and the State during recessions. Your Committee also finds that illegal aliens who have filled some of the jobs in the State are unfairly depriving Hawaii's residents and other United States citizens of these job opportunities.

The voluntary E-Verify system provides a mechanism through which employers can determine the eligibility of potential or existing employees. Your Committee hopes that Hawaii employers will choose to participate in the E-Verify system to restore fairness to the labor market and enable Hawaii's residents to earn income to support their families and the larger state economy.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 128 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 3120 Labor on S.C.R. No. 201**

The purpose of this measure is to urge the Department of Labor and Industrial Relations to adopt rules to prohibit abusive work environments.

Testimony in support of this measure was submitted by two private organizations and numerous individuals. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that healthy work environments, free of workplace bullying, abuse, and harassment, have a positive impact not only on the well-being of employees but also on the success of businesses and the economy through the increased productivity of workers. While federal and state occupational safety and health laws are already in place, your Committee finds that the Department of Labor and Industrial Relations should provide additional protections against workplace violence, bullying, intimidation, and other forms of mistreatment that are detrimental to the psychological, physical, and social well-being of workers.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 201 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 3121 Labor on S.R. No. 100**

The purpose of this measure is to urge the Department of Labor and Industrial Relations to adopt rules to prohibit abusive work environments.

Testimony in support of this measure was submitted by two private organizations and numerous individuals. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that healthy work environments, free of workplace bullying, abuse, and harassment, have a positive impact not only on the well-being of employees but also on the success of businesses and the economy through the increased productivity of workers. While federal and state occupational safety and health laws are already in place, your Committee finds that the Department of Labor and Industrial Relations should provide additional protections against workplace violence, bullying, intimidation, and other forms of mistreatment that are detrimental to the psychological, physical, and social well-being of workers.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 100 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 3122 Judiciary and Government Operations on Gov. Msg. No. 219**

Recommending that the Senate advise and consent to the nomination of the following:

LANGUAGE ACCESS ADVISORY COUNCIL

G.M. No. 219 TIN MYAING THEIN, for a term to expire 6-30-2014

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Tin Myaing Thein to possess the requisite qualifications to be nominated to the Language Access Advisory Council.

Testimony in support of the nomination of Tin Myaing Thein was submitted by the Department of Labor and Industrial Relations, the Office of Language Access, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

After receiving a Bachelor of Arts in Biology, a Bachelor of Science in Microbiology, a Masters degree in Health/Population Studies, and a Doctorate in Medical Sociology, Tin Myaing Thein embarked upon an impressive thirty-five year career in the field of community and economic development. Ms. Thein has worked extensively with underserved communities in Hawaii as well working with the internationally respected aid organizations USAID and the United National Development Program.

Your Committee finds that Ms. Thein's extensive experience working with new immigrants, her proven administrative skills, and her unrelenting drive to serve her community have made her, and will continue to make her, a valued asset to the Language Access Advisory Council.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations 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, 1 (Bunda).

**SCRep. 3123 Judiciary and Government Operations on Gov. Msg. No. 243**

Recommending that the Senate advise and consent to the nomination of the following:

STATE PROCUREMENT ADMINISTRATOR

G.M. No. 243 AARON FUJIOKA, for a term to expire 08-25-2013 (Term amended to 10-16-2013 by G.M. No. 318)

Testimony in support of the nomination of Aaron Fujioka was submitted by the Comptroller; Deputy Comptroller; Cable Television Administrator, Department of Commerce and Consumer Affairs; Managing Director, Director of Finance, and Department of Finance Purchasing Agent of the County of Hawaii; fifteen staff members of the State Procurement Office; four private organizations; and eleven individuals. The nominee also submitted a statement. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Mr. Fujioka received a Bachelor of Science degree in Human Resources Development and a Master in Social Work degree in Administration from the University of Hawaii at Manoa. Since then, he has accumulated more than twenty-five years of experience in planning, program development, public procurement, and contracts management. For the majority of time between 1997 and the present, Mr. Fujioka has served in the State Procurement Office, first as Procurement Manager, then as Assistant Administrator and Procurement Officer, and currently as the Administrator and Chief Procurement Officer. During 2005, Mr. Fujioka served as the Special Advisor to the Director of the Department of Community Services of the City and County of Honolulu. From 1988 to 1997, Mr. Fujioka was the Senior Planner in the Office of Community Services, Department of Labor and Industrial Relations, functioning as the chief planner, procurement manager, and contracts officer responsible for procuring services and managing seventy contracts annually.

Your Committee finds that testimony submitted in support of Mr. Fujioka's nomination is universal in its praise of his thorough knowledge of the procurement laws and procedures and also his good judgment and integrity in carrying out these laws. Additionally, testifiers commended Mr. Fujioka's focus on customer service within the State Procurement Office, benefitting both government agencies and companies with which the State contracts. Specifically, Mr. Fujioka has offered state and county employees throughout the State extensive procurement training, including thirty-five different training workshops and over three hundred procurement training sessions. This goal of customer service is also exemplified by his development and implementation of the pCard program, an alternative payment method to the paper purchase order, which has increased efficiency and provided cost savings for both government agencies and the companies with which the State contracts.

Testimony submitted by members of the State Procurement Office staff also praised his integrity, professionalism, resourcefulness, and teamwork. Your Committee also finds that Mr. Fujioka's willingness to submit well thought out and incisive testimony regarding legislative proposals is very much appreciated, both by testifiers and by your Committee.

With the breadth of his experience and expertise in public procurement, contracts management, and planning and program development, your Committee finds that Aaron Fujioka is eminently qualified for the position to which he is nominated.

Your Committee also notes that the term specified in Governor's Message No. 243, which would have expired on August 25, 2013, was extended to October 16, 2013 by Governor's Message No. 318.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations 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, 1 (Bunda).

**SCRep. 3124 Judiciary and Government Operations on Gov. Msg. No. 293**

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 293 SAMUEL MOKU, for a term to expire 6-30-2011

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Samuel Moku to possess the requisite qualifications to be nominated to the Civil Rights Commission.

Testimony in support of this nomination was submitted by the Department of Labor and Industrial Relations, the Hawai'i Civil Rights Commission, the Hawaii Carpenters Union, and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Samuel Moku is the current director of the Home Ownership Assistance Program in the Department of Hawaiian Home Lands. In this capacity he manages a \$1,000,000 budget, contractual procurement of services, marketing, and creating partnerships with other organizations. Prior to this position, Mr. Moku worked as a land agent with the Land Management Division of the Department of Hawaiian Home Lands.

In addition to his professional experience working with Hawaiian Home Lands, Mr. Moku is an active member of the community, volunteering with Special Olympics Hawaii for almost ten years, serving as Head Coach of Boys Track and Field at Kamehameha Schools Kapalama Campus for almost ten years, and serving as a board member on the University of Hawaii Letterwinners Club.

Your Committee finds that Mr. Moku's strong record of public service, both professionally and as a volunteer, and his demonstrated interest and involvement as an interim appointee to the Hawai'i Civil Rights Commission make him a valuable addition to the Commission. Your Committee had concerns that Mr. Moku did not specifically meet the requirements of section 368-2(a), Hawaii Revised Statutes, but based on the Hawai'i Civil Rights Commission's oral testimony that Mr. Moku will be able to do the work, your Committee's hope is that he will broaden the experience pool of the Commission and bring to it a new and valuable perspective.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations 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 (Takamine, Taniguchi). Noes, none. Excused, 1 (Bunda).

**SCRep. 3125 Judiciary and Government Operations on Gov. Msg. Nos. 294 and 295**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII STATE COUNCIL FOR INTERSTATE JUVENILE SUPERVISION

G.M. No. 294 DENNIS M. DUNN, for a term to expire 6-30-2010; and

G.M. No. 295 DENNIS M. DUNN, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Dennis M. Dunn to have the necessary qualifications to be appointed to the Hawaii State Council for Interstate Juvenile Supervision.

Testimony in support of Dennis M. Dunn was submitted by the Judiciary and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dennis M. Dunn is currently the Director of the Victim Witness Assistance Division of the Department of the Prosecuting Attorney's Office, City and County of Honolulu, and has held this position since 1985, after serving in various other positions in the Department since 1979. He is a graduate of the University of Hawai'i at Manoa, and has lectured on criminal justice issues at Chaminade University and Hawaii Pacific University. Mr. Dunn is active in numerous professional and community organizations, including the Domestic Violence Task Force on Oahu, Hawaii Coalition Against Sexual Assault, and has served as an advisory board member for the Missing Child Center, Mothers Against Drunk Driving, and the Sex Abuse Treatment Center, among others.

Pursuant to Act 93, Session Laws of Hawaii 2009, Hawaii joined the new Interstate Compact for Juveniles, and established a state-level council under the Judiciary, known as the Hawaii State Council for Interstate Juvenile Supervision. Mr. Dunn's appointment is for the victim advocate for the Council.

As affirmed by the records of votes of the members of your Committee on Judiciary and Government Operations 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 nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).



**SCRep. 3126 Judiciary and Government Operations on Gov. Msg. Nos. 296 and 297**

Recommending that the Senate advise and consent to the nominations of the following:

INTERSTATE COMPACT FOR JUVENILES

G.M. No. 296 WENDELL K. KIKUCHI, for a term to expire 6-30-2010; and

G.M. No. 297 WENDELL K. KIKUCHI, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Wendell K. Kikuchi to have the necessary qualifications to be appointed to the Interstate Compact for Juveniles.

Testimony in support of Wendell K. Kikuchi was submitted by the Judiciary and the Department of Human Services Office of Youth Services.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Wendell K. Kikuchi is currently the Deputy Chief Court Administrator II of the Client Services Division, First Judicial Circuit, and has over thirty years of professional and administrative service with the Judiciary. He has served as the Deputy Compact Administrator for the Interstate Compact on Juveniles since January 2005, and as the interim Compact Administrator for the Interstate Compact for Juveniles since July 2009. Mr. Kikuchi is a graduate of the University of Hawai'i at Manoa, with a Bachelor's of Sociology and a Masters of Social Work.

Pursuant to Act 93, Session Laws of Hawaii 2009, Hawaii joined the new Interstate Compact for Juveniles, which replaces the current Interstate Compact on Juveniles. As the Deputy Compact Administrator for the old Interstate Compact on Juveniles, and the Interim Compact Administrator for the new compact, Mr. Kikuchi has been actively involved with the implementation of the new compact for the State of Hawaii and with the creation and operation of the Hawaii State Council for Interstate Juvenile Supervision, which was also established by Act 93.

As affirmed by the records of votes of the members of your Committee on Judiciary and Government Operations 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 nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 3127 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 389**

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 389 EUGENE A.H. MAGNIER MD, for a term to expire 6-30-2014

Your Committee received testimony in support of Eugene A.H. Magnier, MD, from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Magnier received a Bachelor of Arts in Physics from Temple University and a Doctor of Medicine degree from Temple University School of Medicine. He is a Diplomate of the American Board of Internal Medicine and a Diplomate Subspecialty A.B.I.M. Cardiovascular Diseases. The nominee retired from private practice in Hawaii in 2008. Dr. Magnier remains a member of the American Heart Association, the American Society of Echocardiography, the American Medical Association, and the Hawaii Medical Association.

The nominee is being reappointed to the Medical Advisory Board. Dr. Magnier represents the cardiovascular specialist appointment to the Medical Advisory Board. His decades of experience in cardiology provide the Board with the ability to determine if a person has a physical condition that may impair driving skills.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental 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 (Espero).

**SCRep. 3128 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 390**

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 390 LEO MAHER MD, MHA, FAAN, for a term to expire 6-30-2014

Your Committee received testimony in support of Leo Maher, MD, MHA, FAAN, from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Maher is being reappointed to the Medical Advisory Board and represents the neurologist appointment. The nominee received a Bachelor of Science in Biology from Wayne State University and a Doctor of Medicine from Wayne State University School of



Medicine. He is a member of the American Board of Psychiatry and Neurology, and was elected a Fellow of the American Academy of Neurology. The nominee is currently in private practice in Honolulu.

Dr. Maher's expertise in neurology is needed by the Board to determine if a person is medically able to drive without harming themselves or others.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental 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 (Espero).

**SCRep. 3129 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 391**

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 391 ALAN SERIKAWA, for a term to expire 6-30-2014

Your Committee received testimony in support of Alan Serikawa from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Alan Serikawa is being reappointed to the Medical Advisory Board and represents the optometrist appointment. The nominee is a graduate of the University of Hawaii and the Southern California College of Optometry. As an optometrist, Dr. Serikawa is able to determine whether a person has the visual capabilities to drive safely, including evaluating medical conditions such as glaucoma, diabetes, or other diseases that affect vision and visual fields.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental 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 (Espero).

**SCRep. 3130 Tourism on Gov. Msg. Nos. 229, 230, 231, 305, and 353**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAI'I TOURISM AUTHORITY

G.M. No. 229 KELVIN M. BLOOM, for a term to expire 6-30-2014;

G.M. No. 230 PATRICIA ANN EWING, for a term to expire 6-30-2014;

G.M. No. 231 CHARLENE "CHA" MAE KU'UPUAALA THOMPSON, for a term to expire 6-30-2014;

G.M. No. 305 VERNON FOOK LEONG CHAR, for a term to expire 6-30-2014; and

G.M. No. 353 PATRICK K. FITZGERALD, for a term to expire 6-30-2014

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 Board of Directors of the Hawai'i Tourism Authority.

Testimony in support of Kelvin M. Bloom was submitted by the Office of the Governor Tourism Liaison, the Mayor of the City and County of Honolulu, The Chamber of Commerce of Hawaii, Kaua'i Chamber of Commerce, Hawai'i Hotel & Lodging Association, Waimea Plantation Cottages Kauai, Marriot Maui Ocean Club Resort, Marathon Group LLC, and Canaan Construction LTD.

Kelvin M. Bloom is President of Aston Hotels & Resorts, LLC, where he is responsible for oversight of all aspects of the company and the interests of Maui Condo and Home, LLC. Before joining Aston, he was founding President of Castle Resorts & Hotels and Chief Operating Officer of The Castle Group, and has over thirty years of leadership positions in the hotel and condominium resort industry in Hawaii, the United States, and Mexico. Mr. Bloom is active in professional and civic organizations, is a Board Member of Pacific Rim Bank and Hawaii Pacific University TIM Advisory Council, and was recognized as an industry "Brand Leader" in 2001 by the American Hotel & Lodging Association. He is an at-large member and is a reappointment to the Board of Directors of the Hawai'i Tourism Authority, where he is Chair of the Board.

Testimony in support of Patricia Ann Ewing was submitted by the Office of the Governor Tourism Liaison, Banana Patch Studios, and one individual.

Patricia Ann Ewing is the Owner of the Kong Lung Trading Company and E. Wing, Ltd., dba Kong Lung Market Center, where she is responsible for all aspects of both the retail store and the eleven-tenant shopping and dining complex where the store is located. She is a graduate of the University of California at Long Beach and has over forty years of experience as a small business owner in various tourism related companies on Kaua'i, in property management, and as a teacher in Kaua'i and California. Ms. Ewing is an active member of professional and community organizations, including the Kaua'i North Shore Business Council, Hawaii International Film Festival/Kaua'i, and Kalihiwai Ridge Community Association. She serves as the Kaua'i representative and is a reappointment to the Board of Directors of the Hawai'i Tourism Authority, where she has served on numerous committees.

Testimony in support of Charlene “Cha” Mae Ku’upuaala Thompson was submitted by the Office of the Governor Tourism Liaison, the Mayor of the City and County of Honolulu, Kaua’i Chamber of Commerce, Hawai’i Hotel and Lodging Association, Hilton Hawaiian Village Beach Resort & Spa, Waimea Plantation Cottages Kauai, and Marriot Maui Ocean Club Resort.

Charlene “Cha” Mae Ku’upuaala Thompson is co-owner of Tihati Productions, an entertainment business she founded with her husband in 1969; a company that has grown from a cast of six to over 1,000 employees, including musicians, singers, dancers, and choreographers from every Polynesian island group. In her forty years of choreographic and presentation work, she has performed throughout the Pacific islands and most recently was invited to perform at the White House for President and First Lady Obama. Ms. Thompson has served on numerous boards and commissions during her long and distinguished career and is familiar with all facets of the tourism and hospitality industries in Hawaii and the Pacific. She serves as the Oahu representative and is a reappointment to the Board of Directors of the Hawai’i Tourism Authority, where she is active in the Board’s marketing activities and responsibilities.

Testimony in support of Vernon Fook Leong Char was submitted by the Office of the Governor Tourism Liaison and the Managing Director of the City and County of Honolulu.

Vernon Fook Leong Char is founder of the law firm Char Sakamoto Ishii Lum & Ching, where he has represented local, national, and international clients since the firm’s founding in 1989. He is a graduate of the University of Hawai’i, holds a law degree from Harvard Law School, and has decades of legal experience, including numerous clients in Hawaii’s tourism and hospitality industries. Mr. Char has served as President of the Hawaii State Bar Association, as a member of the Board of Governors of the American Bar Association, and was a founding member of the University of Hawai’i Alumni Association and was honored with a Distinguished Alumni Award in 1991. He serves as an at-large member and is a reappointment to the Board of Directors of the Hawai’i Tourism Authority, where he is Chair of the Budget and Audit Standing Committee.

Testimony in support of Patrick K. Fitzgerald was submitted by the Office of the Governor Tourism Liaison, County of Hawaii Department of Research and Development, Hawai’i Hotel & Lodging Association, Kona-Kohala Chamber of Commerce, Mauna Lani Bay Hotel and Bungalows, Mauna Lani Resort, Mauna Kea Resort, Hapuna Beach Prince Hotel, The Fairmont Orchid, Kona Village, Hokuli’a, Four Seasons Resort, Watanabe Ing LLP, Sheila Donnelly & Associates LLC, Hu’ehu’e Ventures LLC, Bert Kobayashi Group LLC, and one individual.

Patrick K. Fitzgerald is Chief Executive Officer/President of Hualani Resort/Kona Village Resort, where he is responsible for overseeing all aspects of asset management, real estate development, real estate sales and marketing, and resort operations. Prior to joining the resort in 2005, he was President/Managing Director of Ocean Colony Partners, L.P., in Half Moon Bay, California, and has over twenty-five years in real estate and resort development experience. He is a graduate of Fordham University, New York, with a B.S. in Accounting and holds an M.B.A. in Finance from New York University. He is active in professional and community organizations, and serves as President of the Kohala Coast Resort Association and as a Member of the Board of Directors of Parker School and Hualalai Ohana Foundation. Mr. Fitzgerald is a new appointment to the Board of Directors of the Hawai’i Tourism Authority.

Written testimony presented to the Committee may be reviewed on the Legislature’s website.

As affirmed by the records of votes of the members of your Committee on Tourism 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 (Tsutsui).

#### **SCRep. 3131 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 339**

Recommending that the Senate advise and consent to the nomination of the following:

#### LAND USE COMMISSION

G.M. No. 339 KYLE JAMES KALEO CHOCK, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Kyle James Kaleo Chock to have the necessary qualifications for the Land Use Commission.

Testimony in support of the nomination of Kyle James Kaleo Chock was submitted by two state agencies, one state commission, nine organizations, and sixteen individuals. Testimony in opposition was submitted by one organization and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Mr. Chock presently serves as an at-large member of the Land Use Commission. He received his Bachelor’s degree in Education for Secondary Social Studies and his Master’s degree in Public Administration from the University of Hawaii at Manoa. Mr. Chock is the Executive Director of The Pacific Resource Partnership. He also serves on the Board of Directors for Lanakila Pacific, Child & Family Service, and the Kapolei Chamber of Commerce, and is an appointed member of the Legislative Federal Economic Stimulus Program Oversight Commission.

As a Land Use Commissioner, Mr. Chock examines the effects each petition may have on future generations and what alternatives may be available. Mr. Chock believes that public participation is a successful and integral part of the Land Use Commission decision making process. He cites examples of petitions heard on the Hawaii Memorial Park and the Waimanalo Gulch expansion, where community input was invaluable. Mr. Chock gave specific examples to your Committee of his fair and balanced voice.

Your Committee was impressed with the nominee and was satisfied that the nominee provided clear, straightforward answers to the questions presented.

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, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3132 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 425**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUA'I AND NI'HAU

G.M. No. 425 CLISSON KUNANE AIPOALANI, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Clisson Kunane Aipoalani to have the necessary qualifications for the Island Burial Council for the Islands of Kauai and Niihau.

Testimony in support of the nomination was submitted by one state agency, one county Mayor, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Aipoalani is presently the Chair of the Island Burial Council for the Islands of Kauai and Niihau, and represents the geographic area of Waimea. He is presently employed as a Transportation Data Entry Clerk for the ITT Corporation at the Barking Sands Pacific Missile Range Facility. Mr. Aipoalani has served as a Kauai Planning Commissioner, and is a current Board member of the Kekaha Federal Credit Union and Na Papa O Mana Council. He was an ITT Employee of the Year nominee in 2003, a recipient of the 2003 Award of Excellence, and is a music entertainer.

Mr. Aipoalani is a well-respected member of the community. As Chair of the Island Burial Council for the Islands of Kauai and Niihau, he has shown poise and confidence in handling emotional and hostile crowds. He has a compassionate and well-balanced approach in working with burial plans. Mr. Aipoalani is conscientious of how the Council's decisions will affect future generations, and aware of the legacy left by kupuna. Mr. Aipoalani is committed to the reinternment of iwi kupuna that are in storage. He volunteered to take those that belonged in his district and, after gaining approval from the State Historic Preservation Division, had them buried in his ohana's burial site at Poohonu in Polihale. Your Committee appreciates Mr. Aipoalani's commitment, and looks forward to his continued contributions to the Island Burial 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, 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 (Hemmings, Kokubun, Takamine).

**SCRep. 3133 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 426**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF MOLOKAI

G.M. No. 426 KEKAMAIIKAIKAMAIIKALANI HELM, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Kekamaikaikamaikalani Helm to have the necessary qualifications for the Island Burial Council for the Island of Molokai.

Testimony in support of the nomination was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Helm is presently a member of the Island Burial Council for the Island of Molokai, and represents the geographic area of West Molokai. He is presently employed as a Community Building Facilitator for the Queen Liliuokalani Children's Center, Molokai Unit. Mr. Helm has served on the Board of Ka Honua Momona International, as a member of the Native Hawaiian Historic Preservation Council, and is presently a member of the Aha Kukui O Molokai Canoe Club, Special Olympics Hawaii, Hui Malama O Moomomi, and Na Pua Nohi Naauao. He served on the Hokulea crew on the first leg of the voyage from Hawaii to Rapa Nui in 1999, and participated with the Hokulea and Makalii voyaging Inter-Island Sailing Project from 1995 to 1996.

Mr. Helm learned subsistence hunting, gathering, farming, and fishing practices from his family and considers these practices essential to his physical and spiritual well-being. He is deeply committed to marine resource protection, traditional management methods, and education. While he worked as a Resource Manager for Hui Malama O Moomomi, he planned, implemented, and coordinated projects for on-site classroom activities involving students of all grades from neighbor islands and the mainland. He has more than fifteen years experience counseling and working with youth to pass along his skills and knowledge of subsistence living. He is pursuing a Bachelor's degree in Liberal Arts with an emphasis on Social Work and Marine Science from Maui Community College. Your Committee looks forward to Mr. Helm contributing his dedication to the perpetuation of the Hawaiian culture to the Island Burial 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, 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 (Hemmings, Kokubun, Takamine).

**SCRep. 3134 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 427**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 427 ROBERT J. PACHECO, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Robert J. Pacheco to have the necessary qualifications for the Board of Land and Natural Resources.

Testimony in support of the nomination of Robert J. Pacheco was submitted by one state agency, two organizations, and nineteen individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Pacheco presently serves as a member of the Board of Land and Natural Resources, and represents the County of Hawaii. He graduated from the University of Colorado with a degree in Socio-Economics of Natural Resource Management. Mr. Pacheco is the Founder, President, and Naturalist Guide for Hawaii Forest and Trail, Ltd. which operates nature tours and a retail store. He is a board member of the Big Island Visitors Bureau and President of the Tropical Reforestation and Ecosystems Education (TREE) Center-Hawaii. His professional experience has given him an in-depth understanding of Hawaii's natural history, conservation issues, and land use policies. He is familiar with Department of Land and Natural Resources permitting processes and administrative rules, and has a working relationship with federal and state agencies in resource management.

Mr. Pacheco's breadth and depth of conservation knowledge as well as his commitment and passion for preserving this State's natural resources contribute tremendously to Board discussions and decisions. His sensitivity to cultural and historical issues, coupled with an understating of the recreational and commercial needs of the public and business community has helped to foster a balanced viewpoint on the Board and is reflected in Board decisions. Mr. Pacheco's reputation for integrity, even handedness, and passion for conservation make him an ideal candidate to foster coordination between the various State departments that is necessary to save money, eliminate unnecessary complexity, reduce redundancy of capital assets, and increase the efficiency and user-friendliness of the Department of Land and Natural Resources. Your Committee appreciates Mr. Pacheco's past participation with the Board of Land and Natural Resources and hopes that he will continue to contribute his business sense and deep understanding of the environment.

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, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 3135 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. Nos. 428 and 461**

Recommending that the Senate advise and consent to the nominations of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 428 LARRY S. SAGARIO, for a term to expire 6-30-2011; and

G.M. No. 461 MOKE KIM, for a term to expire 6-30-2013

Your Committee has reviewed the personal histories, resumes, and statements of the nominees, and finds Larry S. Sagario and Moke Kim to have the necessary qualifications for the Molokai Irrigation System Water Users Advisory Board.

Testimony in support of the nomination of Larry S. Sagario was submitted by two state agencies.

Mr. Sagario is nominated to the Molokai Irrigation System Water Users Advisory Board to represent the Department of Hawaiian Home Lands. He is presently employed as the Water Department Supervisor for the Department of Hawaiian Home Lands. Previously, he worked for the Department of Hawaiian Home Lands Parks Department and as a Laborer at the Kalaupapa Settlement for the Department of Health. Mr. Sagario has a Class B Commercial Drivers License with Hazmat, and is certified as a commercial applicator for restricted-use pesticides and a public water systems operator.

Mr. Sagario has more than fifteen years experience working in water systems maintenance, and maintains an excellent working relationship with Department of Hawaiian Home Lands beneficiaries and the Molokai community. When both wells at the Department of Hawaiian Home Lands' Kala'e site broke down last year, Mr. Sagario was responsible for leading the Department's efforts to repair the wells and coordinating with Molokai Ranch personnel and engineers to complete the necessary repairs for the first well. He continues to coordinate with these parties to complete the repairs on the second well. He has shown leadership and compassion in helping the community, once when told to turn off a customer's water meter, he instead went to the person's home and talked to them about going to the office to pay their bill. His initiative helped everything work out for both parties. Your Committee looks forward to Mr. Sagario bringing his extensive experience with water systems, and his positive relationship with the community, to the Molokai Irrigation System Water Users Advisory Board.

Testimony in support of the nomination of Moke Kim was submitted by one state agency.

Mr. Kim is nominated to the Molokai Irrigation System Water Users Advisory Board to represent Homestead Farmer users. He received his Master's degree in Education from Brigham Young University. He is presently a Homestead Farmer and a Substitute Teacher for the Department of Education. Mr. Kim produces western, exotic, and native plants on his farm, and is an irrigation customer. He is also a Kupuna resource for the Kamehameha Schools Ka Ike o Na Kupuna program. Mr. Kim is a board member and

docent for The Nature Conservancy – Molokai, and is a board member of the Hoolehua Farmers Alliance. He is a member of the Hawaii State Teachers Association, the National Education Association, the Council for Native Hawaiian Advancement, the Hawaii High School Athletic Association, the Hikiola Cooperative, and the Hoolehua Homestead Association.

Mr. Kim wishes to be a member of the Molokai Irrigation System Water Users Advisory Board to ensure equitable water usage with non-Homestead users. He wants to fairly represent all users, while protecting the rights of native Hawaiians. He has been a Homestead Farmer for more than twenty years, and has developed a water system for his use that incorporates intensive conservation practices. While serving on the Board, Mr. Kim hopes to keep Homesteaders informed of decisions that will affect them. Your Committee looks forward to Mr. Kim bringing his agricultural expertise and experience, and strong desire to serve the community, to the Molokai Irrigation System Water Users Advisory Board.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

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, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 3136 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 446**

Recommending that the Senate advise and consent to the nomination of the following:

NATURAL AREA RESERVE SYSTEM COMMISSION

G.M. No. 446 MARIE M. BRUEGMANN, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Marie M. Bruegmann to have the necessary qualifications for the Natural Area Reserve System Commission.

Testimony in support of the nomination was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Bruegmann is nominated to the Natural Area Reserve System Commission as a member possessing scientific qualifications in the field of botany. She received her Bachelor's degree in Botany at the University of Michigan, her Master's degree in Botany at the University of Hawaii, and completed a summer post-graduate session in Tropical Ecology at the Universidad de Costa Rica. Ms. Bruegmann is presently employed as the Plant Recovery Coordinator for the United States Fish and Wildlife Service. She oversees all aspects of plant recovery in Hawaii and the Pacific, and serves as the principal contact and liaison for other agencies, organizations, native Hawaiian and Pacific Island groups, private interest groups, and the public to develop and implement recovery programs to further the conservation and management of Hawaiian and Pacific plants. She has authored or co-authored more than eighty-five papers and reports in the field botany.

Given the role and responsibilities of the Natural Area Reserve System Commission, Ms. Bruegmann believes her professional experience will aid in her decision making. She participates in or chairs several strategic conservation efforts, including the Hawaii and Pacific Plant Recovery Coordinating Committee, the Hawaii Rare Plant Restoration Group, and the implementation team for a Section 7 consultation with the United States Army for thirty endangered species. She is also a member of the Center for Plant Conservation's Science Advisory Council and the Science Advisory Group of the Hawaiian Silversword Foundation. She has more than twenty years experience with the Natural Area Reserve System Commission. In the late 1980's when she worked at The Nature Conservancy, she participated in surveys and developed management plans for all of the existing Natural Area Reserves. Your Committee looks forward to Ms. Bruegmann contributing her experience and expertise to the service of the Natural Area Reserve System Commission.

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, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 3137 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 459**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 459 MICHELLE M. GALIMBA, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Michelle M. Galimba to have the necessary qualifications for the Board of Agriculture.

Testimony in support of the nomination was submitted by one state agency, one county Councilmember, six organizations, and eight individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Galimba is nominated to be an at-large member of the Board of Agriculture. She received her Bachelor's degree in Asian Studies from the University of Oregon, and her Master's degree and Doctor of Philosophy in Comparative Literature from the University of California – Berkeley. She is presently a Rancher on her family's Kuahiwi Ranch which is located on 10,000 acres in the



Kau District of Hawaii County. In addition to her ranching duties, she is responsible for the accounting and marketing of the Ranch. Ms. Galimba serves as Vice President of the Hawaii Cattlemen's Association, President of Ka Ohana O Honuapo, a member of the Big Island Resource Conservation and Development Council, and a member of the Kau Community Development Plan Steering Committee.

Ms. Galimba wishes to serve on the Board of Agriculture because she believes in the importance of nurturing innovative agricultural projects in the State. She offers the unique perspective of being a young agricultural producer, and being a Kau Rancher. Ms. Galimba understands the role of the Board of Agriculture to be to provide the Department of Agriculture with immediate feedback and input on programs, projects, and developments from actual practitioners. In addition to her involvement in the cattle industry, she has worked in the papaya and coffee industries and thus can offer a broad perspective on issues. She hopes to increase public awareness of the critical role that agriculture plays in increasing the State's economic and environmental sustainability, and decrease the barriers to young people joining the agricultural industry. Your Committee looks forward to Ms. Galimba bringing her expertise, marketing experience, and fresh voice to the Board of Agriculture.

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, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 3138 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 460**

Recommending that the Senate advise and consent to the nomination of the following:

KAHO'OLAWE ISLAND RESERVE COMMISSION

G.M. No. 460 KA'IULANI MURPHY, for a term to expire 6-30-2012

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Ka'iulani Murphy to have the necessary qualifications for the Kahoolawe Island Reserve Commission.

Testimony in support of the nomination of Ka'iulani Murphy was submitted by two state agencies, three organizations, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Murphy received her Bachelor's degree in Hawaiian Studies from the University of Hawaii at Manoa, and is presently employed as an Instructor at the Honolulu Community College and as an Education Specialist for the Polynesian Voyaging Society. At the Honolulu Community College, she oversees the Ocean and Hawaiian Studies certificate proposal, designs and teaches courses combining modern science with traditional Hawaiian culture, and teaches courses focusing on Hawaiian astronomy, voyaging, navigation, and stewardship. Ms. Murphy has served as an apprentice navigator on three voyages with the Hokulea: from Tahiti to Hawaii in 2000, from Nihoa to Kure in 2004, and from Hawaii to Micronesia and then Japan in 2007. She served as the navigator for the voyage from Kauai to Nihoa. She has given numerous lectures and presentations, and served as a panelist at numerous conferences and forums, on non-instrument navigation.

Ms. Murphy's dedication and connections to the native Hawaiian community will be a strong foundation for her work in the healing of Kanaloa Kahoolawe. Ms. Murphy's extensive experience and ability to inspire will help her to enhance the collaboration between Polynesian Voyaging Society, the Protect Kahoolawe Ohana, and the Kahoolawe Island Reserve Commission. As a member of the Kahoolawe Island Reserve Commission, Ms. Murphy's decision-making on issues such as planning access to cultural and archeological sites, developing education programs on the natural, cultural, historical, and spiritual significance of Kanaloa Kahoolawe, and preparing for Kahoolawe's future as a native Hawaiian sovereign entity would be grounded in her deep aloha for Kanaloa Kahoolawe.

Ms. Murphy's past actions have shown her to be passionate, honest, and caring and your Committee believes that she will bring the same passion and integrity to the preservation of the traditional and cultural practices of the native Hawaiian people in conjunction with the restoration of the Island Reserve as she has with the ocean. Ms. Murphy, like all good navigators, can help us to heighten our awareness about where we are and to realize course adjustments that may be necessary to reach our destination. She will be an asset to the Kahoolawe Island Reserve Commission.

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, 3 (Hemmings, Kokubun, Takamine).

**SCRep. 3139 (Joint) Tourism and Transportation, International and Intergovernmental Affairs on H.C.R. No. 141**

The purpose of this measure is to support the application of Hawaiian Airlines to the United States Department of Transportation for airline service to Haneda Airport in Tokyo, Japan, and to urge the United States Department of Transportation to approve the application.

Testimony in support of this measure was submitted by the Hawaii Tourism Authority, Mayor of the City and County of Honolulu, and Hawaiian Airlines.

Written testimony presented to the Committees may be reviewed on the Legislature's website.



Your Committees find that through its 2010 US-Haneda Combination Services Allocation Proceeding, the U.S. Department of Transportation invited U.S. air carriers to apply for U.S. carrier rights at Tokyo's Haneda International Airport. Hawaiian Airlines is proposing flights to Hawaii, with twice-daily flights between Haneda and Honolulu.

Your Committees further find that Hawaiian Airlines proposed direct service from Haneda to Honolulu will increase flight options from Japan to Hawaii and provide overall benefits to the State's visitor industry. As the leader in on-time service and rated as the best domestic airline serving Hawaii by Conde Nast Traveler and Zagat, your Committees believe that Hawaiian Airlines is an excellent choice for the available slots at Haneda Airport, and deserves strong support from the Hawaii Legislature.

As affirmed by the records of votes of the members of your Committees on Tourism and Transportation, International and Intergovernmental 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, 6. Noes, none. Excused, 2 (Gabbard, Tsutsui).

**SCRep. 3140 Human Services on Gov. Msg. Nos. 396 and 444**

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS (PABEA)

G.M. No. 396 HERBERT C. SHARP, for a term to expire 6-30-2014; and

G.M. No. 444 F. ADELE RUGG, for a term to expire 6-30-2014

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds that Herbert C. Sharp and F. Adele Rugg have the necessary qualifications to be appointed to the Policy Advisory Board for Elder Affairs (PABEA).

Testimony in support of Mr. Sharp was submitted by the State of Hawaii Executive Office on Aging and the Policy Advisory Board for Elder Affairs.

Mr. Sharp earned a Master of Business Administration degree from the University of Hawaii, Bachelor of Arts degrees from the University of Hawaii in European History and Art Appreciation, and a Bachelor of Science degree in Business Administration, with a minor in Advertising and Selling, from the University of Oregon. He is a retired Naval Exchange Officer with thirty years of experience in business, including accounting, banking, credit, foreign exchange, procurement, and marketing. Mr. Sharp also formerly served as the Director of the University of Hawaii's Elderhostel Program.

Mr. Sharp has volunteered for various organizations, including the Honolulu Academy of Arts, Waikiki Aquarium, Honolulu Maritime Center, and Iolani Palace. He has contributed his valuable time, experience, and insights into the needs of the elderly to PABEA since 2006 and has been an active member of the PABEA legislative committee. Your Committee is confident that Mr. Sharp will continue to improve the lives of Hawaii's kupuna and their caregivers as a member of PABEA.

Testimony in support of Ms. Rugg was submitted by the State of Hawaii Executive Office on Aging, the Mayor of the County of Maui, a Maui city council member, and two individuals.

Ms. Rugg attended high school and junior college in Delaware but has resided on Maui for thirty years. She is a retired County of Maui employee. Testifiers attest to Ms. Rugg's tireless service as an Executive Assistant to former Maui County Councilman and Mayor Alan Arakawa and her dedication and energy as a community servant.

Ms. Rugg is a senior citizen with insights into issues on aging. However, she is an active member of the community. She serves as a board member of the Alzheimer's Association, Aloha Chapter; distinguished past president of the Kiwanis Club of Kahului; a paddler with the Kihei Canoe Club; volunteer at the Maui Arts and Cultural Center, and a trainer with the American Cancer Society to assist breast cancer survivors.

Ms. Rugg has received recognition for her community service and significant contributions to the community, including a Governor's Volunteer Recognition Award in 2008, recognition as a 2008 finalist for Maui County's Outstanding Volunteer Recognition Program, and commendation for her thirty years of community service as one of the "Women of Maui County" for Women's History Month.

Your Committee finds that Ms. Rugg is a dedicated volunteer who has an understanding of issues that the elderly face, will contribute valuable ideas to PABEA, and serve as an energetic advocate for Hawaii's kupuna.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, 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. 3141 Public Safety and Military Affairs on Gov. Msg. No. 454**

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 454 EDWARD R. CRUICKSHANK, for a term to expire 6-30-2011

Your Committee received testimony in support of Edward R. Cruickshank from the State Department of Defense. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Edward R. Cruickshank received a Bachelor of Business Administration degree, a Master of Arts degree in Business Education, and is a graduate of the Hawaii Management Program from the University of Hawaii at Manoa. He retired from the Hawaii Army National Guard as a Colonel with experience in intelligence and disaster preparedness. The nominee is currently the President of Dallas Hawaii Investment, Inc., in Honolulu.

Your Committee believes that the nominee's experience as a battalion and deputy brigade commander along with his work with the Civil Defense Commission has provided him with a wealth of knowledge in disaster preparedness.

Your Committee notes favorably from the nominee's personal statement: "My prior experience as Chair of the Civil Defense Commission, under then Mayor Jeremy Harris, involved revamping of the Board and the writing of Disaster Plans. This experience should be invaluable to the Civil Defense Advisory Council."

As affirmed by the record of votes of the members of your Committee on Public Safety 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, 6. Noes, none. Excused, 1 (English).

**SCRep. 3142 Human Services on Gov. Msg. Nos. 412 and 413**

Recommending that the Senate advise and consent to the nominations of the following:

EARLY LEARNING COUNCIL

G.M. No. 412 CHARLES E. LARSON, for a term to expire 6-30-2012; and

G.M. No. 413 CRYSTAL RAY K. NAONE, for a term to expire 6-30-2012

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds that Charles E. Larson and Crystal Ray K. Naone have the necessary qualifications to be appointed to the Early Learning Council.

CHARLES E. LARSON

Testimony in support of Mr. Larson was submitted by the Good Beginnings Alliance.

Charles E. Larson obtained his Bachelor of Arts degree in Education followed by a Master of Arts degree in Education. Mr. Larson worked from 1970-1971 as a teacher at Family Services Center in Kalihi, then went on to become a Trainer Consultant for the Kauai Head Start Program. Since 1972, Mr. Larson has been the Executive Director of Seagull Schools, Inc., a private, non-profit educational facility that has grown from one school in 1971 to several locations across Oahu.

In 2006 Mr. Larson was awarded the KOA Award for Entrepreneur of the Year, and Mr. Larson has been a member of the Childcare Business Coalition, the Kokua Council, and President of the Hawaii Intergenerational Network.

Your Committee finds that Mr. Larson currently serves as a member of the Early Learning Council and has extensive experience in education that enables him to continue to make significant contributions to the development and administration of early learning opportunities for Hawaii's keiki.

CRYSTAL RAE K. NAONE

Testimony in support of Ms. Naone was submitted by the Good Beginnings Alliance.

Crystal Ray K. Naone earned a Doctorate of Philosophy in Political Science/Indigenous Politics and a Master of Arts degree in Political Science/Indigenous Politics from the University of Hawaii at Manoa, where she was named the Homecoming Scholar. She had previously earned a Bachelor of Arts degree in Political Science from the University of Hawaii at Manoa, where she was awarded the Richard Kosaki Excellence in Research Award.

Ms. Naone is currently the Chief Executive Officer for the Institute for Native Pacific Education and Culture, a position she has held since 2007. Her previous positions include the Community Relations and Development Director of Keiko o Ka Aina Family Learning Centers, Hawaiian Immersion Teacher at Waimea and Waiuu Elementary Schools, and Executive Director of The Pa Lehua Project. Ms. Naone also previously ran all business operations for Productions K2 Culture Seminars and owned and operated American Bulldogs of Hawaii.

Ms. Naone is affiliated with or a volunteer of numerous organizations, including the Kamehameha Publishing Board; Act 529 Early Childhood Legislative Taskforce; Na Lau Lama Planning Committee; Grant Field Researcher for the United States Administration for Native Americans; United Nations, Hawaii Chapter; Grant Field Researcher for the United States Department of Education; Aha Hui Olole Hawaii; Toastmasters International; and other groups. She is also the winner of the 1993 Miss Hawaii Scholarship Pageant.

Your Committee is confident that Ms. Naone's wealth of knowledge and experience in business operations and strong skills in leadership, communication, and Hawaiian language and culture will continue to be valuable assets to the Early Learning Council.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, 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. 3143 Human Services on Gov. Msg. No. 443**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON FATHERHOOD

G.M. No. 443 ELWOOD EDWARD MACHADO, for a term to expire 6-30-2012

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds that Elwood Edward Machado has the necessary qualifications to be appointed to the State Commission on Fatherhood.

Testimony in support of the nominee was submitted by the State Commission on Fatherhood and the Hawaii Coalition for Dads. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Machado studied Culinary Arts at Honolulu Community College and Hawaiiiana at Kapiolani Community College. He is currently a K-3 Hawaiian Studies teacher at Kalaheo Elementary School on Kauai. Mr. Machado worked in the past as a Facilitator for the Family Club at Nana's House on Kauai and has served as a representative on the Native Hawaiian Education Council.

Mr. Machado is an active volunteer in the Kauai community. He has coached baseball, football, and soccer for the Pop Warner Association, volunteered with the Kokee Museum, and provided facilitation services for the Westside Woman's Country Fair and September Splash.

Your Committee finds that Mr. Machado has demonstrated a commitment to promoting healthy family relationships between parents and children, which is a part of the State Commission on Fatherhood's mission. He has already provided valuable contributions to Kauai families and is an excellent nominee to continue advocating for stronger families throughout the entire State as a member of the Commission.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, 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 (Hemmings).

**SCRep. 3144 Human Services on H.C.R. No. 64**

The purpose of this measure is to recognize March as "Adult Residential Care Home and Adult Foster Home Operators Month."

Adult residential care home and adult foster home operators assist Hawaii's kupuna with physical therapy and other daily activities, provide respite for working family members who care for their loved ones at home, and provide opportunities for social interaction to those without family or friends nearby. Your Committee finds that this measure recognizes adult residential care home and adult foster home providers for the noble work that they perform and valuable services that they provide.

Your Committee has amended this measure by making a technical, nonsubstantive change for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 64, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3145 Energy and Environment on Gov. Msg. No. 394**

Recommending that the Senate advise and consent to the nomination of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 394 PETER H. COOPER, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Peter H. Cooper to have the necessary qualifications for the Environmental Council.

Testimony in support of the nomination was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Cooper is presently a member of the Environmental Council and represents the real estate industry. He received his Bachelor's degree in Real Estate and Finance from the University of Hawaii at Manoa. He is currently employed as the Chief Executive Officer for Sun Power Hawaii, LLC and the President of Cooper & Cooper LLC. He has thirty years experience in real estate development, having worked as the Project Manager for Development Associates, Inc. and as the Vice President for Construction Management & Development, Inc. He is a member of the Sustainability Committee of the Hawaii Developers' Council, Secretary of the Hawaii Developers' Council, a Director for the National Association of Industrial and Office Properties - Hawaii Chapter, and a member of the Development Committee for the Salvation Army Ray and Joan Kroc Corp Community Center Honolulu.

Mr. Cooper is passionate about being a steward for the land and natural resources of Hawaii. He is a strong environmentalist and capitalist, bringing a unique perspective to the Environmental Council that can build bridges. In addition to his professional

experience, he raises his own fish and vegetables for food in his backyard aquaponics garden. He views his role on the Environmental Council as providing a balance between environmental protection and economic development, and he is hopeful that finding the appropriate balance will mean the next generation can stay in Hawaii and enjoy its natural abundance. Your Committee appreciates Mr. Cooper's dedication, and looks forward to his continued dedication to this important body.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, 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 (English, Hemmings, Ihara).

**SCRep. 3146 Judiciary and Government Operations on Gov. Msg. Nos. 418 and 419**

Recommending that the Senate advise and consent to the nominations of the following:

DEFENDER COUNCIL

G.M. No. 418 JEFFREY ALAN HAWK, for a term to expire 6-30-2014.; and

G.M. No. 419 SHIRLEY MIKI KAWAMURA, for a term to expire 6-30-2014

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 Defender Council.

Testimony in support of the nomination of Jeffrey Alan Hawk was submitted by the State Public Defender and two other individuals.

Jeffrey Alan Hawk received a Bachelor of Arts degree in English Literature from the University of California at Berkeley, and a Juris Doctor degree from the University of Hawaii, William S. Richardson School of Law. He is currently a partner with the law firm of Hawk Sing & Ignacio, a small firm specializing in all phases and types of criminal cases, where he has successfully litigated many difficult and high-publicity cases. From 1998 to 2003, Mr. Hawk was a Deputy Public Defender with the Office of the Public Defender.

Mr. Hawk represents the City and County of Honolulu and is a reappointment to the Defender Council. According to testimony submitted in support of his nomination, Mr. Hawk has been a member of the Council since 2006 and has served as the Chair of the Council since 2008, efficiently contributing to the administration of the Office of the Public Defender.

Testimony in support of the nomination of Shirley Miki Kawamura was submitted by the State Public Defender and two other individuals.

Shirley Miki Kawamura received a Bachelor of Arts degree, with honors, in Sociology from Brown University, and a Juris Doctor degree from the Stanford Law Center. She is currently an attorney with the law firm of Kawashima Lorusso & Tom, focusing her practice in commercial and insurance defense litigation. From 1999 to 2005, she was a Senior Felony Trial Deputy, where she researched, prepared, and argued appellate briefs and substantive motions, and managed and directed hundreds of criminal cases in the District, Family, and Circuit Courts. From 1998 to 1999, Ms. Kawamura was an attorney with the law firm of Ashford & Wriston, where she worked in the areas of bankruptcy, foreclosure, collections, real property transactions, commercial banking, quiet title, probate, and general contract litigation. From 1997 to 1998, she was a law clerk for Judge Dexter Del Rosario.

Ms. Kawamura also represents the City and County of Honolulu and is a reappointment to the Defender Council. According to testimony submitted in support of her nomination, Ms. Kawamura has been a member of the Council since 2006, and her extensive litigation background and experience has been beneficial for the Council.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Judiciary 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.

Ayes, 4. Noes, none. Excused, 2 (Slom, Takamine).

**SCRep. 3147 Judiciary and Government Operations on Gov. Msg. No. 420**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF KAUA'I AND NI'HAU

G.M. No. 420 DANIEL KAWAMURA, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, statement submitted by the nominee, and testimony submitted regarding the nominee and finds the nominee to have the necessary qualifications to be appointed to the Board of Registration of the Islands of Kaua'i and Ni'ihau (Board).

Testimony in support of the nominee was submitted by the Chief Election Officer, the Mayor of Kaua'i, the Kaua'i Chamber of Commerce, and one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

From 2002 to the present, Daniel Kawamura has been an office manager with M. Kawamura Farm Enterprises, Inc., which sells wholesale farm supplies in Lihue. Being part of this family-owned business has given Mr. Kawamura the opportunity to actively

participate in his community. Currently, he serves on the Board of Directors for the Lihue Business Association, is an active member of the Kaua'i Chamber of Commerce, and is also active in numerous agriculture-related organizations on Kauai.

Mr. Kawamura is an independent and is a reappointment to the Board. According to testimony submitted in support of his nomination, Mr. Kawamura was appointed to the Board in 2006 on an interim basis and was reappointed on July 1, 2007. The Chief Election Officer noted in testimony that Mr. Kawamura served on the Board in the 2006 and 2008 elections and has shown himself to be fair in his duties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations 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 (Slom, Takamine).

**SCRep. 3148      Judiciary and Government Operations on Gov. Msg. No. 421**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 421    ELENA M.H. CABATU, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and testimony submitted in support of the nominee and finds the nominee to have the necessary qualifications to be appointed to the Commission on the Status of Women (Commission).

Testimony in support of the nomination of Ms. Cabatu was submitted by one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Elena M.H. Cabatu received a Bachelor of Arts degree in English and Linguistics, with a minor in Theater, from Georgetown University. She is currently the East Hawaii Regional Community Relations and Program Manager for the Hilo Medical Center. From 2000 to 2007, she served first as a Project Associate and then as a consultant for the Communications Consortium Media Center in Washington, D.C., working on, among other things, the Global Health, Population and Development 2015 project. She is a published author.

Ms. Cabatu represents Hawaii County and is a reappointment to the Commission. Ms. Cabatu has served on the Commission since September 2007, initially serving as an interim member and was subsequently nominated for a four-year term in October 2007. According to oral testimony submitted in support of her nomination, Ms. Cabatu has been an asset to the Commission. Through her service on the Commission, your Committee finds that Ms. Cabatu has demonstrated her interest and knowledge in, and her ability to make contributions to, the solution of problems relating to the status of women.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations 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 (Slom, Takamine).

**SCRep. 3149      Education and Housing on Gov. Msg. No. 392**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY (PHA)

G.M. No. 392    R. ERIC HO'OLULUKAMAKANI BEAVER, ESQ., for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds that R. Eric Hoolulukamakani Beaver, Esq., has the necessary qualifications to be appointed to the Board of Directors of the Hawaii Public Housing Authority (HPHA).

Testimony in support of the nominee was submitted by the Governor's office, two state agencies, the Mayor of the City and County of Honolulu, and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Beaver earned a Juris Doctorate degree from Brigham Young University's J. Reuben Clark Law School and a Bachelor of Science degree in Business Management from Brigham Young University - Hawaii. He is currently the President and Chief Executive Officer of Hawaii Reserves, Inc., a property management, development, and utility company. Mr. Beaver served previously as the Chief of Operations and Assistant General Counsel at Hawaii Reserves, Inc.

In addition to his business acumen, Mr. Beaver is a leader in the community. He is presently the President of the Laie Hawaii Stake of the Church of Jesus Christ of Latter-Day Saints and President of the Kahuku Hospital Board. He has also served as a Police Activities League basketball coach, Scouting Coordinator for the Boy Scouts of America, founding member of the Kahuku High School Alumni Board, and member of the Oahu Burial Council and District No. 28 Neighborhood Board, among other organizations and activities.

Mr. Beaver has served on the Board of Directors of HPHA for four years and currently serves as the Vice Chair of the Board of Directors of HPHA and member of the Subcommittee on Finance. He identifies the economic sustainability of public housing and the timely provision of safe and clean mixed-use housing as important goals or functions of HPHA. Your Committee expressed a number of concerns regarding HPHA and public housing in the State and finds that Mr. Beaver's experience and knowledge in real estate



development, property management, and housing will enable the Board to continue making progress in addressing these concerns and other public housing issues.

As affirmed by the record of votes of the members of your Committee on Education and 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 (Hemmings, Tsutsui).

**SCRep. 3150 Energy and Environment on H.C.R. No. 178**

The purpose of this measure is to recognize October as Energy Awareness Month in Hawaii.

Testimony in support of the measure was submitted by one state agency and one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Hawaii faces a turning point in its energy policy, and we can either remain a net importer of oil or we can become a model for the development and use of clean energy technology. If Hawaii is to advance energy and climate security, we must focus on energy efficiency, promote sustainable industries, accelerate job training and job creation in these areas, and set effective and achievable standards for the generation and use of clean energy. Your Committee finds that this measure will encourage all persons to recognize the contributions of individuals, organizations, and companies that are committed to advancing energy innovation and efficiency, and promote the importance of a clean energy economy in Hawaii.

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. 178, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Hemmings, Ihara).

**SCRep. 3151 Commerce and Consumer Protection on Gov. Msg. No. 384**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 384 BRUCE T. KAWANO, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs; a member of the State Boxing Commission of Hawai'i; USA Boxing, Inc.; Yeshua Boxing Club; the Kauai Police Activities League; and three private citizens. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership qualify him for appointment to the State Boxing Commission of Hawai'i. Your Committee notes that Mr. Kawano has been active in boxing for over twenty years, both as a boxer and a coach, and has taken the Hawaii State Champions to the National Championships since 1997. Your Committee further finds that this nominee has been appointed to the State Boxing Commission of Hawai'i based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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, 1 (Green).

**SCRep. 3152 Commerce and Consumer Protection on Gov. Msg. No. 385**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 385 MORRIS H. KANESHIRO, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, the Hawaii Electrical Workers Laborers' International Union Local 722, and one private citizen. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Board of Electricians and Plumbers qualify him for reappointment to the Board of Electricians and Plumbers as an electrician licensee member. Your Committee notes that Mr. Kaneshiro has been licensed as a journey worker electrician since 1977 and as a supervising electrician since 1996, and is very knowledgeable regarding the licensing activities of the Board. Your Committee further finds that this nominee has been reappointed to the Board of Electricians and Plumbers based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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, 1 (Green).

**SCRep. 3153 Commerce and Consumer Protection on Gov. Msg. Nos. 387 and 388**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MASSAGE THERAPY

G.M. No. 387 LAURA Y. CHOCK, for a term to expire 6-30-2014; and

G.M. No. 388 OLIVIA B. NAGASHIMA, for a term to expire 6-30-2014

Your Committee received testimony in support of Laura Y. Chock from the Department of Commerce and Consumer Affairs. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that Laura Y. Chock's experience, commitment to public service, and proven leadership on the Board of Massage Therapy qualify her for reappointment to the Board of Massage Therapy as a public member. Your Committee notes that Ms. Chock is a retired educator who, since her retirement, has been an active member in a wide range of community and civic organizations on the island of Hawaii. Your Committee further finds that this nominee has been reappointed to the Board of Massage Therapy based on her knowledge, experience, and commitment to public service.

Your Committee received testimony in support of Olivia B. Nagashima from the Department of Commerce and Consumer Affairs and four private citizens. A personal statement and resume were received from the nominee.

Upon review of the testimony, your Committee finds that Olivia B. Nagashima's experience in the profession of massage therapy, commitment to public service, and proven leadership on the Board of Massage Therapy qualify her for reappointment to the Board of Massage Therapy as an industry member. Your Committee notes that Ms. Nagashima has been a licensed massage therapist in Hawaii since 1996, has created and teaches a series of business related courses for massage students, and is active in professional organizations. Your Committee further finds that this nominee has been reappointed to the Board of Massage Therapy based on her knowledge, experience, and commitment to public service.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection 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, 1 (Green).

**SCRep. 3154 Commerce and Consumer Protection on Gov. Msg. Nos. 401 and 402**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 401 STEVEN R. OBERG CPA, for a term to expire 6-30-2010; and

G.M. No. 402 STEVEN R. OBERG CPA, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, the Mayor of the County of Kaua'i, the Hawaii Society of Certified Public Accountants, and one private citizen. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the State Board of Public Accountancy qualify him for reappointment to the State Board of Public Accountancy. Your Committee notes that Mr. Oberg has been a licensed certified public accountant (CPA) in Hawaii since 1985 and has thirty-five years of professional experience on Kaua'i. Your Committee further finds that this nominee has been reappointed to the State Board of Public Accountancy, where he serves as both a licensed CPA and a member in active practice, based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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, 1 (Green).

**SCRep. 3155 Commerce and Consumer Protection on Gov. Msg. No. 404**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII MEDICAL BOARD

G.M. No. 404 CARL K. YORITA, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs. A personal statement and curriculum vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's experience in the profession of medicine, commitment to public service, and proven leadership qualify him for appointment to the Hawaii Medical Board. Your Committee notes that Dr. Yorita has practiced medicine in Hawaii for thirty-eight years, has served in the Medical Corps in the Hawaii Army National Guard and the United States Air Force Reserve, and is currently a Lt. Colonel in the United States Army Reserve. Your Committee further finds that this nominee has been appointed to the Hawaii Medical Board based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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, 1 (Green).

**SCRep. 3156 Commerce and Consumer Protection on Gov. Msg. No. 405**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF NATUROPATHIC MEDICINE

G.M. No. 405 DAVID R. KERN, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, the Chair of the Board of Naturopathic Medicine, and six private citizens. A personal statement and curriculum vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership on the Board of Naturopathic Medicine qualify him for reappointment to the Board of Naturopathic Medicine as a naturopathic physician member. Your Committee notes that Dr. Kern has been a licensed naturopathic physician practicing on Maui since 1985, is active in numerous professional associations, and has an extensive record of professional presentations. Your Committee further finds that this nominee has been reappointed to the Board of Naturopathic Medicine, where he currently serves as the Board's Vice Chairperson, based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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, 1 (Green).

**SCRep. 3157 Commerce and Consumer Protection on Gov. Msg. No. 406**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 406 TODD K. INAFUKU, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, the Hawaii State Epidemiologist, Hawai'i Primary Care Association, Longs Drugs, Walgreens, and five private citizens. A personal statement and curriculum vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership qualify him for appointment to the Board of Pharmacy. Your Committee notes that Mr. Inafuku has been a licensed pharmacist in Hawaii since 1976, and in addition to his extensive private sector professional experience he also served as the Bioterrorism Preparedness and Response Branch Pharmacist in the Department of Health for three years. Your Committee further finds that this nominee previously served on the Board of Pharmacy and has been reappointed to the Board of Pharmacy based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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, 1 (Green).

**SCRep. 3158 Commerce and Consumer Protection on Gov. Msg. No. 407**

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

G.M. No. 407 SCOTT A. SHERLEY, for a term to expire 6-30-2014

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs; Hawai'i Association of REALTORS; Hawaii Inspection Group; Ala Kai Realty, Inc.; ERA Pacific Properties; Mana'o Radio KEAO-LP; S&S Management Consultants, LLC; and eight private citizens. A personal statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's professional experience, commitment to public service, and proven leadership qualify him for appointment to the Real Estate Commission. Your Committee notes that Mr. Sherley has been a licensed realtor since 1985 and is a Past President of the Hawaii Association of Realtors. Your Committee further finds that this nominee has been appointed to serve as the Hawaii Island representative to the Real Estate Commission based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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, 1 (Green).

**SCRep. 3159 Human Services on Gov. Msg. No. 445**

Recommending that the Senate advise and consent to the nomination of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 445 GORDON L. FULLER, for a term to expire 6-30-2012

Testimony in favor of Gordon L. Fuller was submitted by the Department of Human Services, the State Council on Developmental Disabilities, the Hawaii Center on Independent Living, the Statewide Independent Living Council, and ten individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Gordon Lee Fuller has studied extensively in many different areas, including a wide range of study after he became legally blind at the age of eighteen. When Mr. Fuller was six years of age, he was enrolled in the Gifted Children's Program at Arizona State University. He was accepted to the European Art Academy System and studied in the State Academy in Amsterdam, where he completed an apprenticeship in industrial design. Subsequently, Mr. Fuller returned to Arizona State University, where he studied journalism, mass communications, advertising, business administration, accounting and psychology. In 1978, Mr. Fuller began studying computer science and engineering at the University of Arizona, where he also taught classes in Electronic Art and Video Art. While working at Pacific Bell, Mr. Fuller received technical training in advanced telecommunications and networks.

Mr. Fuller has held numerous positions of employment with various companies and entities. He has worked with Avant-Garde Ventures, LLC, Satcom Consultants, Pacific Bell, California Research Education Network, S3D Corporation, and International Training and Video Systems Inc. Testimony indicates that Mr. Fuller will bring a diverse business background and a personal awareness of the need for independent living services for people with disabilities. His enthusiasm for advocacy for persons with disabilities is most refreshing, and he is a team player, has great respect and sensitivity to the diverse cultures in our State, and his integrity and principles are apparent in his work. Mr. Fuller is described as a true visionary who understands the nuances for social change and inspires confidence and a spirit of teamwork among his staff.

Based on his knowledge, experience and character traits for leadership and vision, your Committee is confident that Mr. Fuller is well-suited for the Statewide Council on Independent Living.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, 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 (Hemmings).

**SCRep. 3160 (Joint) Energy and Environment and Economic Development and Technology on Gov. Msg. No. 395**

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. 395 MICHAEL BUCHAL, for a term to expire 6-30-2014

Your Committees have reviewed the personal history, resume, and statements of the nominee, and find Michael Buchal to have the necessary qualifications for the Board of Directors of the Natural Energy Laboratory of Hawaii Authority.

Testimony in support of the nomination was submitted by one state agency, one county agency, nine organizations, and twelve individuals. One state agency submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Mr. Buchal is nominated to represent West Hawaii. He received his Bachelor's degree in Psychology from Reed College and his Master's degree in Fisheries Science from Oregon State University. Mr. Buchal is presently employed as an Aquaculture Consultant for several organizations including the Big Island Abalone Corporation and the Keahole Point Association. He spent nine years working directly for the Big Island Abalone Corporation as a Vice President, President, and Manager. He has numerous published articles on aquaculture issues. He has served as the President of the Keahole Point Association and as the tenant representative on the Board of the Natural Energy Laboratory of Hawaii Authority. In 2002, while he was President of the Big Island Abalone Corporation, the Corporation won the Governor's New Exporter Award and in 2003 won the Governor's Exporter of the Year Award. In 2004, he was a finalist for the Business Leadership Hawaii Awards.

Mr. Buchal understands the challenges of developing and operating a business in Hawaii and at the Natural Energy Laboratory of Hawaii Authority. He is familiar with the Board of Directors processes and has supported the Authority as a tenant business, tenant representative, and a member of the public. He would like to see the Authority fulfill its potential to be a world class energy research

and aquaculture park, and would like to support the Authority being a test bed for developing and demonstrating renewable energy technologies such as solar, wind, wave, and biofuel. He wants to improve the Authority's relationship to the tenants, by helping the Authority achieve fiscal self-sufficiency and gaining tenant collaboration and support. He believes that if the tenants are satisfied with the Authority's position, the Authority will achieve its goal of being a world class energy and aquaculture development and commercialization facility.

Mr. Buchal acknowledges that his recent consulting work for tenants of the Natural Energy Laboratory of Hawaii Authority may raise concerns of potential conflicts of interest. He recognizes that he cannot in good faith consult with tenants during his term of service on the Board of Directors and will recuse himself from discussions if a conflict of interest arises. Mr. Buchal will represent the interests and goals of the Natural Energy Laboratory of Hawaii Authority and should any potential conflict of interest arise, he will seek appropriate counsel from the Chair of the Board of Directors of the Natural Energy Laboratory of Hawaii Authority or the State Ethics Commission.

Your Committees look forward to Mr. Buchal bringing his extensive experience with the Authority and as a businessperson to the Board of Directors of the Natural Energy Laboratory of Hawaii Authority.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology 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, 8. Noes, none. Excused, 4 (English, Hee, Hemmings, Ihara).

**SCRep. 3161 Economic Development and Technology on Gov. Msg. Nos. 393, 409, 410, and 434**

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

- G.M. No. 393 TREVOR H. KAINOA DAINES, for a term to expire 6-30-2014;
- G.M. No. 409 KALEIAHIHI K. FERMANTEZ, for a term to expire 6-30-2010;
- G.M. No. 410 KALEIAHIHI K. FERMANTEZ, for a term to expire 6-30-2014; and
- G.M. No. 434 DORADEEN M. KANUHA, for a term to expire 6-30-2011

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 King Kamehameha Celebration Commission.

Testimony in support of Trevor H. Kainoa Daines was submitted by the Department of Accounting and General Services, the Royal Order of Kamehameha I, Iolani Palace, The Peter Apo Company, the Association of Hawaiian Civic Clubs, and two individuals.

Trevor H. Kainoa Daines is Director of Sales North America & International/Cultural Director at Queen Kapi'olani Hotel, where he is responsible for sales and marketing with an emphasis on Hawaiian culture. He has extensive experience in the visitor industry in Hawaii and Las Vegas, and is a graduate of the University of Nevada Las Vegas. Mr. Daines is active in numerous professional and civic organizations, including Aloha Festivals Inc.; the Hawai'i Tourism Authority's Hawaiian Program Advisory Council; the Hawaiian Civic Club of Honolulu; Kamehameha Schools Alumni Association, O'ahu Region; and the Royal Order of Kamehameha I, Moku o Hawai'i Chapter. He is the representative of the Royal Order of Kamehameha I and is a reappointment to the King Kamehameha Celebration Commission.

Testimony in support of Kaleiahiki K. Fermantez was submitted by the Department of Accounting and General Services.

Kaleiahiki K. Fermantez has over fifteen years in facilitation, communications, event production, management and operations, and coordination for various meetings, conventions, and private events in Hawaii. She attended Kapi'olani and Leeward Community Colleges and currently is pursuing a Bachelor of Science degree in business and communications at the University of Phoenix. Ms. Fermantez is active in a diverse range of community organizations and serves as a National Guard Youth Academy Mentor and ASICS Rainbows Girls Volleyball Fundraising Chair, and is a member and Secretary of Hale O Na Ali'i, and Daughters and Sons of Hawaiian Warriors, among many others. She is the representative of the Daughters and Sons of Hawaiian Warriors and is a new appointment to the King Kamehameha Celebration Commission.

Testimony in support of Doradeen M. Kanuha was submitted by the Department of Accounting and General Services.

Doradeen M. Kanuha is a Cultural Resource Advisor at the Ka'anapali Beach Club, Maui, as well as serving as mistress of ceremonies with Tahu Productions, which presents the luau show at the Westin Ka'anapali. She is also mo'olelo o Hawai'i nei at Ka'anapali Ocean Resort and is certified to teach Chiefly Leadership in the visitor industry. In addition to her thirty years experience in various phases of the entertainment and visitor industry, Ms. Kanuha is active in community organizations, serving as Treasurer and Secretary for Hui O Wa'a Kaulua and is a member of the Board of Directors of the Friends of Moku'ula. She will serve as the Maui representative and is a new appointment to the King Kamehameha Celebration Commission.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology 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. 3162 Economic Development and Technology on Gov. Msg. No. 411**

Recommending that the Senate advise and consent to the nomination of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 411 RICHARD SCHNITZLER, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Richard Schnitzler to have the necessary qualifications to be appointed to the Small Business Regulatory Review Board.

Testimony in support of Richard Schnitzler was submitted by the Department of Business, Economic Development, and Tourism and the Chairperson of the Small Business Regulatory Review Board.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Richard Schnitzler is Founder and Co-Owner of Hamakua Macadamia Nut Company, and has served as the company's President since 1994. In addition, he has held various executive positions in Hawaii's macadamia nut industry since 1979. Mr. Schnitzler is active in professional and community organizations and currently serves as a Board Member of the Hawaii Pacific Export Council and of the Hawaii Farm Bureau, and is a member of the State of Hawaii Seal of Quality Program. He is a past Vice President of the Hawaii Macadamia Nut Association and a past President of the Hamakua Jaycees. Mr. Schnitzler is a reappointment to the Small Business Regulatory Review Board.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology 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. 3163 Economic Development and Technology on Gov. Msg. No. 433**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I HISTORIC PLACES REVIEW BOARD

G.M. No. 433 JEFFREY N. DODGE, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Jeffrey N. Dodge to have the necessary qualifications to be appointed to the Hawai'i Historic Places Review Board.

Testimony in support of Jeffrey N. Dodge was submitted by the Department of Land and Natural Resources.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Jeffrey N. Dodge is a Historical Architect/Environmental Planner with the Naval Facilities Engineering Command Hawai'i, and has been assigned to the Navy in compliance with the National Historic Preservation Act, since 1995. In addition to his role as the Navy's primary historic architect in the Pacific Oceanic Region, he has eighteen years of professional experience in the private sector as a project and managing architect, with a focus on preservation. Mr. Dodge is a graduate of the University of Nebraska at Lincoln, with a Bachelor of Architecture and has participated in the University of Hawai'i American Studies, Historic Preservation Certificate Program studies. He is active in a wide range of professional and community organizations and activities, and the recipient of numerous Naval and private sector awards. Mr. Dodge is a new appointment to the Hawai'i Historic Places Review Board, and will represent the discipline of architecture.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology 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. 3164 Higher Education on Gov. Msg. No. 397**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I MEDICAL EDUCATION COUNCIL

G.M. No. 397 FEREYDOUN DON PARSA, MD, for a term to expire 6-30-2013

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds that Fereydoun Don Parsa, M.D., has the necessary qualifications to be appointed to the Hawaii Medical Education Council (HMEC).

Testimony in support of the nominee was submitted by the University of Hawaii System. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Parsa earned his Doctor of Medicine and Bachelor of Science degrees from Lausanne Medical School in Switzerland. He is certified by the American Board of Surgery and the American Board of Plastic Surgery. Dr. Parsa is currently a Professor of Surgery and Chief of the Division of Plastic Surgery at the University of Hawaii John A. Burns School of Medicine (JABSOM). He is also Chief of the Plastic Surgery Division and actively practices plastic surgery at The Queen's Medical Center.

Dr. Parsa is extremely well-published, having authored and co-authored over seventy articles, some of which have appeared in peer-reviewed journals such as *Plastic and Reconstructive Surgery*, the *American Journal of Surgery*, and the *Hawaii Medical Journal*. He has also written book chapters and presented papers to surgeon organizations. However, Dr. Parsa is not just a researcher and academic; as Dr. Parsa's four Annual Students' Excellence in Teaching Awards from JABSOM show, he is also able to transfer his knowledge effectively to train future physicians.

Dr. Parsa has also volunteered his time and medical skills to serve others. He is a member of the State of Hawaii Board of Medical Examiners, John A. Burns School of Medicine Steering Board, Board of the Friends of the Medical School, Aloha Medical Mission, and Board of Directors of the Pan-Pacific Surgical Association. He has also taken on leadership roles, including Chairman of the Pan-Pacific Surgical Congress, Chairman of the Nominating Committee of Hawaii Medical Association's Physician of the Year Award, and Chairman of the Honolulu County Medical Society's Ohana Committee. Additionally, Dr. Parsa has volunteered with IRAQ STAR to provide free plastic and reconstructive surgery to wounded and deformed American soldiers returning from war and participated in several Aloha Medical Missions to the Philippines and China, for which he has been formally recognized by the Hawaii House of Representatives.

Dr. Parsa's recommendations to improve health care training in the State include increasing training opportunities for Hawaii's potential physicians, increasing enrollment at JABSOM, and implementing loan forgiveness programs to encourage physicians to work in underserved areas of the State. Your Committee finds that Dr. Parsa is highly qualified, as an accomplished practitioner and outstanding teacher, to help the HMEC implement these recommended changes and address the challenge of attracting and retaining physicians in the State.

As affirmed by the record of votes of the members of your Committee on Higher 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, 7. Noes, none. Excused, none.

**SCRep. 3165 Economic Development and Technology on Gov. Msg. Nos. 200, 199, and 198**

Recommending that the Senate advise and consent to the nominations of the following:

STADIUM AUTHORITY

- G.M. No. 200 KATHRYN WHANG INOUYE, for a term to expire 6-30-2014;
- G.M. No. 199 KENNETH B. MARCUS ESQ., for a term to expire 6-30-2014; and
- G.M. No. 198 ALAN S. TAMAYOSE, for a term to expire 6-30-2014

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 Stadium Authority.

Testimony in support of Kathryn Whang Inouye was submitted by the Department of Accounting and General Services; Child and Family Service; The Pacific Resource Partnership; Alexander & Baldwin, Inc.; Pahio Development, Inc.; and four individuals.

Kathryn Whang Inouye is Chief Operating Officer for the Kobayashi Group, LLC, where she is responsible for oversight of all phases of the company's project development activities. She has over thirty years of real estate experience managing development of planned communities, luxury resort communities, hotels and condominiums, schools, and offices. Ms. Inouye is a graduate of the University of Hawai'i at Manoa, with a Bachelor of Education degree, and the recipient of numerous awards for her extensive community service activities. She is a reappointment to the Stadium Authority, where her private and public sector real estate and development expertise has helped the Authority develop a business-oriented approach in addressing its long-term infrastructure and financing requirements.

Testimony in support of Kenneth B. Marcus Esq., was submitted by the Department of Accounting and General Services.

Kenneth B. Marcus Esq., is Director of Starn O'Toole Marcus & Fisher, a position he has held since 1999. He has over thirty years experience as an attorney in commercial real estate development, joint venture financing, and real estate contractual requirements. Mr. Marcus holds a B.S. from the University of Pennsylvania Wharton School and a J.D. from New York University School of Law. He is active in civic and professional organizations and has received the highest ratings for skill and integrity from several attorney rating organizations. Mr. Marcus is a reappointment to the Stadium Authority, where he has chaired several committees due to his business and legal experience.

Testimony in support of Alan S. Tamayose was submitted by the Department of Accounting and General Services.

Alan S. Tamayose is President and Owner of Aegis Hawaii, Inc., dba Aegis Payroll, a business he has owned and operated since 1996. He is a Certified Public Accountant and has over thirty years experience as a chief financial officer at several large and small companies. Mr. Tamayose holds a B.B.A. from the University of Hawai'i and a M.B.A. from Long Beach State University. He is active in professional and civic organizations, including service in nonprofit board executive positions. Mr. Tamayose is a reappointment to the Stadium Authority, where he recently chaired the committee responsible for developing requests for proposals for the Aloha Swap Meet and vendor selection. Your Committee notes that Mr. Tamayose was knowledgeable with respect to the Stadium Authority's funding sources, and the need to reconcile public recreational uses with any enhanced recreation and entertainment uses in the future.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology 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. 3166 Judiciary and Government Operations on Gov. Msg. No. 351**

Recommending that the Senate advise and consent to the nomination of the following:

LANGUAGE ACCESS ADVISORY COUNCIL

G.M. No. 351 EDELENE O. URIARTE, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and testimony submitted in support of the nominee and finds the nominee to have the necessary qualifications to be appointed to the Language Access Advisory Council.

Testimony in support of the nomination of Ms. Uriarte was submitted by the Director of Labor and Industrial Relations; the Office of Language Access, Department of Labor and Industrial Relations; and five individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Ms. Uriarte, a native of Palau, obtained a Bachelor of Arts degree from the Adventist University of the Philippines, and is working towards her Master of Arts degree in Pacific Island Studies at the University of Hawaii at Manoa. Her studies and thesis involve academic research on the Pacific region. For the past three years, Ms. Uriarte has served the Micronesian community as a member of the Micronesian Community Network, an organization of which she has recently been elected president. In 2007, she coordinated with the Department of Health to deploy a health assessment service to the Micronesian community in Honolulu. As part of this effort, she conducted over three hundred interviews with Micronesian families living primarily in low-income housing. In 2008, she co-founded Belau Mei, a resource-based organization that supplies important information to Palauan immigrants traveling to Hawaii in search of education, jobs, opportunities, and health care.

Ms. Uriarte represents the Micronesian community as the member from the limited English proficient population who has an interest in the provision of oral language services. Ms. Uriarte is fluent in the Palauan and Tagalog languages and is eager to serve the limited English proficient community.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations 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 (Bunda, Gabbard).

**SCRep. 3167 Higher Education on Gov. Msg. No. 436**

Recommending that the Senate advise and consent to the nomination of the following:

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION (WICHE)

G.M. No. 436 STEVEN CHARLES WHEELWRIGHT, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds that Steven Charles Wheelwright has the necessary qualifications to be appointed to the Western Interstate Commission for Higher Education (WICHE).

Testimony in support of Dr. Wheelwright was submitted by Brigham Young University – Hawaii, Brigham Young University – Idaho, Hawaii Pacific University, the New England Board of Higher Education, Stubenberg & Durrett LLLP, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Wheelwright earned a Master of Business Administration and Doctor of Philosophy from Stanford University's Graduate School of Business and a Bachelor of Science in Mathematics from the University of Utah.

Dr. Wheelwright is the President of Brigham Young University – Hawaii and the Edsel Bryant Ford Professor of Business Administration, Emeritus, at Harvard Business School. He is the former Senior Associate Dean of the Harvard Business School's Master of Business Administration Program, former Baker Foundation Professor at the Harvard Business School, and former Senior Associate Dean and Director of Harvard Business School's publication activities. Dr. Wheelwright has written numerous articles that have been published in the *Harvard Business Review* and other periodicals, several book chapters, and a plethora of teaching notes and case studies for Harvard Business School courses.

Upon retirement from Harvard Business School, Dr. Wheelwright presided over the London Mission for The Church of Jesus Christ of Latter-day Saints, then served as a missionary at Brigham Young University – Idaho. Testifiers comment on Dr. Wheelwright's openness and collaborative spirit toward the local community and devotion to creating excellent educational experiences for young people.

Dr. Wheelwright provided thoughtful comments and ideas on the priority goals and issues that should be addressed by WICHE, ways to expand Hawaii's involvement in WICHE, and ways the Hawaii State Legislature may increase its participation in WICHE. He emphasizes the need for greater access to higher education for students, increase the use of e-learning opportunities through programs such as Internet Course Exchange, collaborate with other WICHE institutions to maintain the availability of academic opportunities during tough economic times, and get involved with the Legislative Advisory Committee to inform the WICHE Executive Committee of legislative higher education-related issues.

Your Committee finds that Dr. Wheelwright is a highly qualified administrator, educator, and leader with extensive experience in higher education and familiarity with Hawaii's higher education needs. Your Committee also finds that Dr. Wheelwright has the ability to articulate potential solutions and improvements to higher education challenges in Hawaii and other WICHE institutions and would serve the State of Hawaii well as a representative to WICHE.

As affirmed by the record of votes of the members of your Committee on Higher 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, 7. Noes, none. Excused, none.

**SCRep. 3168 (Joint) Energy and Environment and Commerce and Consumer Protection on H.C.R. No. 230**

The purpose of this measure is to urge the Hawaii Clean Energy Initiative End-Use Efficiency Working Group to convene development and building industry stakeholders to identify barriers to implementation and work towards a consensus position to promote the design and construction of net zero energy buildings.

Testimony in support of the measure was submitted by one organization. One state agency and one organization submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that improving the design and construction of new buildings is the most cost-effective way to address energy efficiency and conservation. The Hawaii Clean Energy Initiative set a statewide goal of using seventy per cent clean energy by 2030 through the use of forty per cent renewable energy resources and thirty per cent energy efficiency. Net zero energy buildings are designed to consume net zero energy and produce zero carbon emissions, which would help Hawaii reach its seventy per cent clean energy goal. This measure will encourage development and building stakeholders, state and county agencies, and the State Building Code Council to identify barriers to implementation and to propose solutions to promote the design and construction of net zero energy buildings. Your Committees request that the Hawaii Clean Energy Initiative End-Use Efficiency Working Group invite representatives of the Land Use Research Foundation of Hawaii and the National Association of Industrial and Office Properties Hawaii Chapter to contribute as stakeholders in this effort.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 230, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 1 (English).

**SCRep. 3169 Human Services on H.C.R. No. 51**

The purpose of this measure is to declare the second week in October as Case Management Week.

Testimony in support of this measure was submitted by Case Management Professionals, Inc.; Capitol Consultants of Hawaii, LLP; and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that case management is a growing industry that provides critical services to patients and caregivers on a daily basis. Case managers advocate for patient needs and help parents to achieve autonomy and wellness. Case managers assure that the resources available to patients and caregivers are utilized in the best ways possible and that those in need are provided for.

The number of case managers continues to increase and over 40,000 practitioners are now holding a Certified Case Manager credential. Case managers are not only available in the medical setting, but have branched out into government agencies, health insurance companies, hospitals and private managed care companies. Case managers are making a huge impact on the well-being of many members of our community.

Your Committee would like to recognize the important contributions of care managers to our communities and their efforts to collaborate and get clients what they need.

Your Committee has made 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 51, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3170 Human Services on H.C.R. No. 62**

The purpose of this measure is to recognize and support caregivers for their important roles in our community and their dedication to maintaining the health and well-being of Hawaii's frail and vulnerable population.

Testimony in support of this measure was submitted by the State Council on Developmental Disabilities. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the elderly population in Hawaii is among the fastest growing groups and is also the most vulnerable physically and economically. Community-based caregivers, such as adult residential care homes and adult foster homes, deliver acute and long-term care to Hawaii's Medicaid program and to families in need throughout the State. The need for these important services has increased substantially due to a shortage in nursing care beds.

Your Committee recognizes that the care that these non-institutional care homes provide is immeasurably important to the community, and with the current economic crisis, the cost-effective services of these caregivers are even more sought after. Your Committee also wishes to show its continued support and appreciation for those that administer these important services.

Your Committee has made 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 62, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 3171 Higher Education on Gov. Msg. No. 415**

Recommending that the Senate advise and consent to the nomination of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 415 DALE M. ALLISON PHD, APRN, FAAN, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds that Dale M. Allison, Ph.D., APRN, FAAN, has the necessary qualifications to be appointed to the Hawaii State Center for Nursing Advisory Board.

Testimony in support of the nominee was submitted by the Hawaii State Center for Nursing and Hawaii Pacific University's College of Nursing and Health Sciences. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Allison is a certified Registered Nurse Practitioner, Registered Nurse, and Advanced Practice Registered Nurse. She holds a Doctor of Philosophy and Master of Science in Nursing from the University of Pennsylvania and a Bachelor of Science in Nursing from Boston University. She is also a commissioned Parish Nurse.

Dr. Allison is currently a Professor in Hawaii Pacific University's School of Nursing and has previously worked in various capacities at the School of Nursing, including Graduate Program Chair, Co-Director of Service Learning, Associate Professor, and Clinic Instructor. She has also served as Director and Coordinator of the Waikiki Health Center's Hoola Like Outreach Program, Co-Director of the Transcultural Nursing Center, Nurse Practitioner with St. Francis's Ke Ola Mamo Project and Kaiser Permanente, and Associate Professor at University of Hawaii at Manoa's School of Nursing. Dr. Allison has also worked as a Patient Care Manager, Nurse Practitioner, and Instructor at Bryn Mawr Hospital and Staff Nurse, Coordinator, and Nurse Educator at the Hospital of the University of Pennsylvania, one of the leading hospitals in the nation.

As evidenced by the numerous awards that Dr. Allison has garnered, she is an outstanding leader and skilled nurse. Her awards and recognition include Sigma Theta Tau International's Leadership Award, Regional Showcase of Excellence, Na Kupono Award, and Certificate of Excellence; Hawaii Pacific University Faculty Assembly's Golden Apple Award; AIG Hawaii's Hero's Award; and Hawaii Nurses Association's Advanced Practice Nurse of the Year.

Dr. Allison exhibits a great depth of knowledge and experience in nursing and has extensive experience in leadership, training future nurses, and promoting health and well-being among Hawaii's communities. She is currently a member of the Hawaii State Center for Nursing Advisory Board and sits on the Legislative Committee. According to testifiers, Dr. Allison has actively participated in strategic planning for the Center and consistently contributes valuable expertise to the discussions and decisions made by the Board. She is also a former board member of the Hawaii Affiliate of Susan G. Komen for the Cure.

Your Committee finds that Dr. Allison is a highly competent nurse who is fitting of her current position as a member of the Hawaii State Center for Nursing Advisory Board. She is committed to preparing nurses for long-term careers in nursing and nursing education and ensuring that nurses receive continuing education to sharpen and expand their skills. Your Committee further finds that Dr. Allison is a great asset to the State who makes significant contributions to the quality of health care provided by Hawaii's nurses.

As affirmed by the record of votes of the members of your Committee on Higher 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, 7. Noes, none. Excused, none.

**SCRep. 3172 Higher Education on Gov. Msg. Nos. 398 and 416**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

G.M. No. 398 MARK ITARU YAMADA, for a term to expire 6-30-2014; and

G.M. No. 416 DONN MASAO TAKAKI, for a term to expire 6-30-2014

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mark Itaru Yamada and Donn Masao Takaki to possess the requisite qualifications to be nominated to the Board of Directors of the Research Corporation of the University of Hawai'i (Board).

Testimony in support of the nomination of Mark Itaru Yamada was submitted by the Research Corporation of the University of Hawai'i (RCUH), Island Insurance Companies, Hawaiian Host, Inc., the Japanese Cultural Center of Hawaii, First Hawaiian Bank,



Grant Thornton LLP, and four individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Mr. Yamada has over twenty years of experience in various positions relating to accounting, finance, marketing, and administration. For the past three years, he has served as the Vice President and Chief Financial Officer of Hawaiian Host, Inc. From 2002 to 2007, he served as the Director of Finance and Administration with Gemini Mobile Technologies, Inc, a start-up company in the wireless internet industry. From 1996 to 2002, he worked with Vodafone Group PLC (formerly known as Airtouch Communications), in various capacities, including as the Managing Director of the Japan Finance Group, the Director of International Operations, and the Director of Accounting. From 1987 to 1996, he worked with Coopers & Lybrand LLP as an Audit Manager, first in Honolulu and later in Tokyo.

Mr. Yamada is a new appointment to the Board. Mr. Yamada intends to draw on his experiences in high tech industries, along with his finance and accounting background when making decisions as a Board member. Mr. Yamada believes that the research and development of new technologies and processes can be an engine of growth for our State's economy, and that the commercialization of successful research and development findings will create new industries or enhance existing ones.

Your Committee finds that Mr. Yamada's extensive administrative, financial, and management experience, as well as his involvement with high technology industries, will make him a valuable asset on the Board.

Testimony in support of the nomination of Mr. Donn Masao Takaki was submitted by the RCUH. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Since 1996, Mr. Takaki has been the President of HawkTree International, the holding company for Island Movers and affiliated companies which perform ground transportation, logistics, and storage-related work. Additionally, from 2007 to the present, he has also been a Director of EpicRays, a digital signage software company.

Mr. Takaki is very active in the community, having served for two years as the Chairperson of the 2006 Honolulu City Charter Commission, and as a member and past Chairperson of the City & County of Honolulu Transportation Commission. Currently, he is a member of the Board of Directors of the Young Presidents' Organization and serves as a Vice Chairman of the Aloha United Way.

Mr. Takaki is a reappointment to the Board and currently serves as the Board's Chairperson. Mr. Takaki perceives the role of the Board as ensuring that the management team at the Research Corporation of the University of Hawaii (RCUH) is focused on facilitating research activities in Hawaii. He believes that this requires taking care of administrative functions involved in these activities in a cost-effective manner, while balancing the interests of the RCUH with the University of Hawaii.

Your Committee finds that Mr. Takaki's past service on the Board, as well as his extensive experience with other organizations and HawkTree, has provided and will continue to provide the Board with valuable knowledge and familiarity with good management practices, allowing the Board to further support research activities for the RCUH.

As affirmed by the records of votes of the members of your Committee on Higher 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, 7. Noes, none. Excused, none.

**SCRep. 3173 Education and Housing on Gov. Msg. Nos. 408, 429, 430, 431, and 432**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TEACHER STANDARDS BOARD

- G.M. No. 408 ALVIN NAAWAO PARKER, for a term to expire 6-30-2013;
- G.M. No. 429 GAIL H. AWAKUNI, for a term to expire 6-30-2013;
- G.M. No. 430 LEONARDO FLORES DELGADO, for a term to expire 6-30-2012;
- G.M. No. 431 JONATHAN D. KISSIDA, for a term to expire 6-30-2013; and
- G.M. No. 432 RUTH L. SILBERSTEIN, for a term to expire 6-30-2013

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds that Alvin Naawao Parker, Gail H. Awakuni, Leonardo Flores Delgado, Jonathan D. Kissida, and Ruth L. Silberstein have the necessary qualifications to be appointed to the Hawaii Teacher Standards Board (HTSB).

ALVIN NAAWAO PARKER

Testimony in support of Mr. Parker was submitted by one private organization.

Mr. Parker earned a Master of Education degree from Gonzaga University and a Bachelor of Arts degree in History from the University of Hawaii. He is currently the Principal of Ka Waihona o ka Naauao Public Charter School and has previous experience teaching special education students and history at Waianae High School. Mr. Parker's prior work positions include Vessel Operations Superintendent for Matson Shipping Company and President and Owner of Anoi Inc., a seafood processing company.

Mr. Parker has been a member of HTSB for the past three years. Through his experiences on HTSB, Mr. Parker has gained a solid understanding of the issues HTSB has faced in the past and of the needs and goals of HTSB moving forward, such as the need for an improved, transparent licensure process for teachers and better communication between teachers and HTSB.

In addition to Mr. Parker's current position as a charter school administrator, he is also the Chair of the Council for Native Hawaiian Advancement. He is an advocate for the charter schools, adding a unique and necessary perspective to the Board.

Your Committee questioned the nominee regarding HTSB's reaction to the 2009 audit of HTSB and measures taken to improve the teacher licensure procedure and develop alternative routes to certification. Mr. Parker was able to update your Committee on the impending improvements to the teacher licensure process and conveyed his understanding of the role and duties of HTSB. Your Committee believes that Mr. Parker is a valuable contributor to HTSB's work and looks forward to the implementation of improvements to teacher licensure in Hawaii.

#### GAIL H. AWAKUNI

Testimony in support of Dr. Awakuni was submitted by one individual. Comments were submitted by one private organization.

Dr. Awakuni earned a Doctor of Philosophy degree from the Union Institute and a Master of Education degree, Bachelor of Arts degree, and Professional Diploma from the University of Hawaii. She is a certified General Educational Development reader and Social Studies, English, and Speech teacher.

Dr. Awakuni has been the Principal of James Campbell High School for nearly ten years, where she has helped turn around the school to become a leader in academic success, increased scholarships for students, increased college access, and successful preparation of minority students for post-secondary school experiences. She will also serve as the Leeward Complex Area Superintendent on an interim basis until July 2010. Prior to her position at James Campbell High School, Dr. Awakuni served as Principal of Enchanted Lake Elementary School and Interim Principal, Vice Principal, and Summer School Director of Kailua High School.

Dr. Awakuni has been recognized as an outstanding school leader. She was the 2004 Hawaii Association of Secondary School Administrators' Principal of the Year and the 2005 National Association of Secondary School Principals' National High School Principal of the Year. In addition to her role as a school leader, she is a member of the University of Hawaii Regent Scholarship Selection Committee; member of the 100 Battalion Unit, U.S. Army Scholarship Committee; and Boys and Girls Club Board member. She is also involved with the Hawaii Children's Cancer Foundation, Weed and Seed Program, and Leeward Partnerships.

As an outstanding educator and administrator with over thirty years of experience in education, Dr. Awakuni has a wealth of knowledge, experience, and skills to ensure that teachers are adequately prepared and maintain performance standards required by law. She is also competent in the skills and experience needed to help the HTSB build a stronger relationship between itself and the Board of Education and Department of Education to clarify roles and improved procedures for teacher licensure. Your Committee finds that Dr. Awakuni's ability to effect significant reform will enable her to provide insightful contributions to HTSB in raising the quality of Hawaii's teachers.

#### LEONARDO FLORES DELGADO

Testimony in support of Mr. Delgado was submitted by one private organization and thirteen individuals. Comments were submitted by one private organization.

Mr. Delgado studied Religious Studies at Lumen Vitae in Belgium and at the Immaculate Conception School of Theology in the Philippines. He also earned a Bachelor of Arts in Philosophy from Saint Louis University in the Philippines.

Mr. Delgado is presently a teacher at Maryknoll School in the High School Division. He has many years of experience in education, working in the past as a Theology Teacher at Sacred Hearts Academy, English Lecturer at Leeward Community College, Pastoral Associate at Our Lady of Good Counsel Church, Philosophy/Theology/Language Instructor at Divine Word College of Laoag in the Philippines, and English/Music Teacher at St. Joseph High School in the Philippines.

In addition to teaching experience, Mr. Delgado has dedicated much of his time and efforts to community service. He has a talent for music and has served as the Community Choir Director at the Filipino Community Center and Music Minister at Our Lady of Good Counsel Church. He is a member of the Board of Directors of the Filipino Community Center and has been involved with feeding and visiting the homeless, a prison ministry at a federal detention center, Aloha Medical Mission, and the Homebound Ministry at Our Lady of Good Counsel Church. Mr. Delgado has also served in a leadership capacity with several organizations.

Testifiers describe Mr. Delgado as a humanitarian and talented teacher with excellent character, outstanding work ethic, and a strong commitment to serve others. He has been recognized locally by KHNL and The Honolulu Advertiser for his humanitarian acts.

Mr. Delgado places the interests of Hawaii's students as the priority in determining the role and responsibilities of HTSB in establishing standards for Hawaii's teachers. Your Committee finds that Mr. Delgado's approach to teacher standards, excellent service ethic, and dedication to the well-being of Hawaii's students make him a strong advocate for Hawaii's students when decisions are made on the HTSB.

#### JONATHAN D. KISSIDA

Testimony in support of Mr. Kissida was submitted by one individual. Comments were submitted by one private organization.

Mr. Kissida received a Master of Education degree in Elementary Education from Chaminade University and a Bachelor of Arts degree in Philosophy from the University of the Pacific. He is currently a teacher at the Hawaii Academy of Arts & Science with the Online Distance Program. Mr. Kissida is also a Robotics Coach at the Hawaii Academy of Arts & Sciences. He has many years of experience as a teacher, including Technology Coordinator/Resource Teacher at Haaheo Elementary School, Physical Education Teacher and Head Teacher at Mid-Pacific Institute Elementary School, and Assistant Teacher at Epiphany School.

Mr. Kissida is currently pursuing licensure to teach students in kindergarten through grade twelve through the Online Distance Program at Hawaii Academy of Arts & Science; therefore, he has first-hand experience in the licensure process administered by HTSB. He identifies the following as goals that should be set by HTSB: the establishment of a user-friendly initial and renewal

licensing process and quicker and more consistent responses from HTSB to teachers seeking licensure. As an online distance program teacher, your Committee finds that Mr. Kissida would bring an open-minded, innovative perspective to HTSB to enable the Board to achieve these goals.

Your Committee finds that Mr. Kissida's willingness to find creative ways to engage Hawaii's students and take advantage of available technology would infuse the HTSB with fresh ideas and a charter school perspective, which are particularly valuable in light of the national push for innovation and reform in education.

RUTH L. SILBERSTEIN

Testimony in support of Ms. Silberstein was submitted by four individuals.

Ms. Silberstein earned a Master of Education degree from the University of Hawaii in Educational Administration and Curriculum and Instruction/Elementary Education and a Bachelor of Arts degree in Philosophy from Chaminade University. She is the Principal of Palolo Elementary School and has previously served as the Principal of Puohala Elementary School and Pukalani Elementary School, and Vice Principal of Waihee Elementary School. She has twenty-two years of teaching experience in Catholic schools and twenty-three years of experience in public schools.

Ms. Silberstein has participated in several professional organizations, including Chairperson of the Kekaulike Principals Complex, member of the Maui District Steering Committee, and Maui District Representative for the National Association of Elementary School Principals. She has also performed volunteer work with the Na Keiki Fun Run, Easter Seals, cystic fibrosis, and church bazaars.

Ms. Silberstein has a solid understanding of highly effective teaching and has implemented changes at Palolo Elementary School to raise the level of teaching and learning. In response to the 2009 audit of HTSB, Ms. Silberstein provided your Committee with thoughtful comments on the points raised by the audit, including the need for clarification of laws that determine the role of the HTSB. Your Committee is confident that Ms. Silberstein will quickly gain experience on the HTSB and contribute valuable insights from her years of experience in teaching and leading schools to improve the quality of teaching in Hawaii.

Testimony received by your Committee raised the concern that some of the nominations to the HTSB may be flawed because the nominations did not specify which groups the nominees represent, creating a potential conflict with the statutory requirements of HTSB's composition under section 302A-801, Hawaii Revised Statutes. However, your Committee finds that these nominations help HTSB achieve a composition that is in line with section 302A-801(a) and (b), Hawaii Revised Statutes, as follows:

- (1) Mr. Parker represents secondary school principals and was nominated by the Charter School Administrative Office;
- (2) Dr. Awakuni represents secondary school principals and was nominated by a current member of the HTSB;
- (3) Mr. Delgado represents independent schools and was nominated by the Hawaii Association of Independent Schools;
- (4) Mr. Kissida represents elementary school and was nominated by a current member of the HTSB; and
- (5) Ms. Silberstein represents elementary school principals and was nominated by a current member of the HTSB.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Education and 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 (Hemmings, Tsutsui).

**SCRep. 3174 Health on Gov. Msg. No. 383**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

G.M. No. 383 KARL P. ESPALDON, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Karl P. Espaldon to possess the requisite qualifications to be nominated to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances.

Your Committee received testimony in support of Karl P. Espaldon's nomination to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances from the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Karl P. Espaldon has extensive professional experience working with at risk populations in a variety of capacities. Mr. Espaldon earned a Bachelor of Arts degree in Political Science before going on to earn a Juris Doctorate degree. His legal career includes time spent as a Deputy Public Defender, a Law Clerk with the Intermediate Court of Appeals, and Chief of Staff in the Office of the Delegate to Congress from Guam. Mr. Espaldon is experienced with government agencies after serving as the Interim Executive Director and the Research, Planning, and Resource Development Administrator of the Office of Community Services within the Department of Labor and Industrial Relations and the State Drug Control Liaison with the Office of the Lieutenant Governor. In 2009, Mr. Espaldon left government service for the non-profit sector and is now the Director of Planning, Program Development, and Communications with the Honolulu Community Action Program.

Mr. Espaldon's impressive career has provided him with both policy and practical experience in the area of substance abuse prevention. His range of experience and legal expertise will bring an important point of view to the Commission. In addition,

Mr. Espaldon's unflagging interest in the issue of substance abuse and his excellent working relationship with the Department of Health will be assets to the Commission.

As affirmed by the records 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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3175 Health on Gov. Msg. No. 417**

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, OAHU SERVICE AREA BOARD

G.M. No. 417 ELLEN ALISSA HEID, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and personal statement submitted by the nominee and finds that Ellen Alissa Heid possesses the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Oahu Service Area Board.

Your Committee received testimony in support of the nomination of Ellen Alissa Heid's nomination to the Mental Health and Substance Abuse, Oahu Service Area Board from the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ellen Alissa Heid has extensive experience in the mental health and substance abuse fields. Ms. Heid holds two Master's degrees, one in Political Science with an emphasis on civil rights and civil law and one in Social Work with a focus on substance abuse and geriatric mental health. In addition to her education, Ms. Heid has both in-state and national volunteer and career experience with many different aspects of mental health and substance abuse, including time spent with the University of California, Santa Cruz AIDS/STD Education Program, Mental Help Hawaii – Honolulu Clubhouse, the Sex Abuse Treatment Center, the men's shelter of the Institute for Human Services, United Self Help Bi-Polar/Depression Group, Mental Health Services Research, Evaluation, and Training, and, most recently, the Hawaii Department of Health Adult Mental Health Division.

Your Committee finds that Ms. Heid, who is currently the Chairperson of the Hawaii Service Area Board, has served with compassion and enthusiasm. She has tirelessly advocated for people with mental illness as well as for people living with HIV/AIDS and your Committee is pleased that she is willing to continue sharing her extensive experience and expertise to continue bettering mental health services 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, 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, 1 (Hemmings).

**SCRep. 3176 Health on Gov. Msg. Nos. 348 and 349**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 348 TIFFANY R. VARA, for a term to expire 6-30-2011; and

G.M. No. 349 BARBARA A. IOLI, for a term to expire 6-30-2014

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Tiffany R. Vara and Barbara A. Ioli to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

Your Committee received testimony in support of Tiffany R. Vara's nomination to the State Council on Developmental Disabilities from the State Council on Developmental Disabilities and the University of Hawai'i at Manoa Center on Disability Studies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Tiffany R. Vara has both professional and volunteer experience in the healthcare field. Ms. Vara worked domestically and internationally as a United States Army Medical Service Corps officer from 1992 to 1996. More recently, Ms. Vara has turned her energies toward community service, becoming involved with the Outcome Planning Committee for the Developmental Disabilities/Mentally Retarded Program, serving on the Developmental Disability Health and Early Childhood Subcommittee, and currently serving as an Advisory Board Member of both the National Children's Study and the National Pediatric Acquired Brain Injury Plan/The Brain Project.

Your Committee further finds that Ms. Vara's ability to balance emotion with practicality and reason will benefit the State Council on Developmental Disabilities. Her experience advocating for children with special needs and their families and promoting the full inclusion of the community for achieving advances for individuals with developmental disabilities will make Ms. Vara an asset on the Council.

Your Committee received testimony in support of Barbara A. Ioli's nomination to the State Council on Developmental Disabilities from the State Council on Developmental Disabilities and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Barbara Ioli has personal and community experience with the special needs population. Ms. Ioli currently is a full-time caregiver for her son and grandson, both of whom have special needs. In addition, Ms. Ioli serves on the Leeward Community Children's Council and the Special Education Advisory Council, and is an active member of the Special Olympics of Hawaii, the Hawaii Association of Parents of the Visually Impaired, and the Hawaii Down Syndrome Congress.

Ms. Ioli's personal experiences caring first for her son and now also for her grandson give her a valuable familiarity with the trajectory of developmental disability policy, what progress has been made in recent years, and what progress is still needed. Your Committee shares Ms. Ioli's personal philosophy that every day brings a learning experience and that that experience and insight are meaningless unless shared with others. Your Committee appreciates Ms. Ioli's willingness to share her hard-earned insights for the betterment of our community.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3177 Health on Gov. Msg. No. 350**

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAI'I SERVICE AREA BOARD

G.M. No. 350 COLLEEN O'SULLIVAN, for a term to expire 6-30-2011

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Colleen O'Sullivan to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Hawai'i Service Area Board.

Testimony in support of Colleen O'Sullivan's nomination to the Mental Health and Substance Abuse, Hawai'i Service Area Board was received from the Department of Health and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Colleen O'Sullivan will bring over thirty years of nursing experience to this position. Over the course of her career, Ms. O'Sullivan has worked in many nursing disciplines and with many different populations, including time spent as a general-surgical nurse, recovery room nurse, home health care supervisor, pediatric nurse, and with hospice. In addition, Ms. O'Sullivan has extensive experience with mental health, having worked as a clinical nurse in an adolescent psychiatric in-patient unit, a Nurse Manager for an adult in-patient and day treatment psychiatric program at Cedars Sinai Medical Center, and Mental Health Care Coordinator for the Hawaii Department of Health.

Your Committee further finds that Ms. O'Sullivan's experience will bring a child and family centered perspective to the Mental Health and Substance Abuse, Hawai'i Service Area Board and that her dedication, compassion, and tireless advocacy will make her a valuable new member.

As affirmed by the records 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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3178 Health on Gov. Msg. Nos. 437, 438, 439, and 440**

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. 437 RONALD G. HAY, for a term to expire 6-30-2012;

G.M. No. 438 LEE A. MANSFIELD, for a term to expire 6-30-2014;

G.M. No. 439 AUDREY K. UYEMA PAK, for a term to expire 6-30-2011; and

G.M. No. 440 VIRGILIO A. VIERNES, for a term to expire 6-30-2013

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Ronald G. Hay, Lee A. Mansfield, Audrey K. Uyema Pak, and Virgilio A. Viernes to possess the requisite qualifications to be nominated to the Board of Certification of Operating Personnel in Wastewater Treatment Plants.

Testimony in support of Ronald G. Hay's nomination to the Board of Certification of Operating Personnel in Wastewater Treatment Plants was received from the Department of Health and the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Ronald G. Hay has a Bachelor of Science degree in Civil Engineering and holds Grade 4 wastewater treatment plant operator certifications in Hawaii and New Mexico. Mr. Hay is currently the Manager of Wastewater Systems for the Hawaii Water Service Corporation on the island of Hawaii. Mr. Hay has over twenty-nine years of experience in the wastewater industry with past employment spanning design work, operations, teaching, and management.



Your Committee believes that Mr. Hay's mix of practical, teaching, and managerial experience give him a well rounded perspective of the wastewater industry that will help him to provide valuable insight to the Board of Certification of Operating Personnel in Wastewater Treatment Plants.

Testimony in support of Lee A. Mansfield's nomination to the Board of Certification of Operating Personnel in Wastewater Treatment Plants was received from the Department of Health and the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Lee A. Mansfield earned a Bachelor of Science degree and then a Master's degree in Chemical Engineering. He has applied his education over a more than thirty-year career. After achieving the position of Senior Vice President at GMP Associates, Mr. Mansfield moved on to a manager position at Hawaii American Water Company. In this position, Mr. Mansfield oversees the East Honolulu Community Systems wastewater system, which includes the East Honolulu Community Services Wastewater Treatment Plant, wastewater pump stations, and the sewer collection system serving Hawaii Kai.

Your Committee further finds that Mr. Mansfield's career has made him more than qualified for the position of professional engineer in private practice with the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Your Committee believes that he will be an asset to the Board.

Testimony in support of Audrey K. Uyema Pak's nomination to the Board of Certification of Operating Personnel in Wastewater Treatment Plants was received from the Department of Health and the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Audrey K. Uyema Pak received a Bachelor of Science degree in Civil Engineering followed by a Master's degree in Civil Engineering. She has over fourteen years of experience in the wastewater and environmental engineering fields and currently works in the Wastewater Branch of the Department of Health as an Environmental Engineer where she frequently works with wastewater treatment plant operators.

Your Committee finds that Ms. Pak's interactions with wastewater treatment plant operators make her aware of operator concerns and uniquely situated to bring their point of view to the Board. Your Committee further appreciates Ms. Pak's eagerness to contribute to our community.

Testimony in support of Virgilio Viernes' nomination to the Board of Certification of Operating Personnel in Wastewater Treatment Plants was received from the Department of Health and the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Virgilio Viernes only began his career in the wastewater industry in 2002 when he took a position as an Assistant Wastewater Treatment Plant Operator. In a meteoric rise, by 2007 Mr. Viernes attained the position of Wastewater Treatment Plant Superintendent for the County of Maui where he oversees five major wastewater treatment plants on Maui, Molokai, and Lanai. Mr. Viernes is certified as a Grade 4 (highest grade) wastewater treatment plant operator.

Mr. Viernes' aptitude, experience, and boundless energy will make him an asset to the Department of Health and the Board of Certification of Operating Personnel in Wastewater Treatment Plants. Your Committee appreciates his willingness to serve our community.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3179 Health on Gov. Msg. Nos. 441 and 442**

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, MAUI SERVICE AREA BOARD

G.M. No. 441 ELOISE JOEY ENOS, for a term to expire 6-30-2014; and

G.M. No. 442 PETER GONZALEZ, for a term to expire 6-30-2011

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Eloise Joey Enos and Peter Gonzalez to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Maui Service Area Board.

Your Committee received testimony in support of Eloise Joey Enos' nomination to the Mental Health and Substance Abuse, Maui Service Area Board from the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Ms. Enos' personal experience with mental health as the caregiver for her brother, who was diagnosed with serious and persistent mental illness at an early age, will bring an important perspective to the Mental Health and Substance Abuse, Maui Service Area Board. Ms. Enos is a strong advocate for middle and high school students and has relations with the Native Hawaiian community. She will help to make sure that these two groups' concerns are heard. Your Committee appreciates Ms. Enos' dedication to mental health and believes she will be a valuable member of the Maui Service Area Board.

Your Committee received testimony in support of Peter Gonzalez's nomination to the Mental Health and Substance Abuse, Maui Service Area Board from the Department of Health and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Peter Gonzalez gained experience with mental health policy issues by spending three years on the State Council on Mental Health where he advocated for consumer mental health services on Moloka'i. Mr. Gonzalez also has personal experience with mental health issues and his refusal to let his mental health stand in the way of serving his community is an inspiration. Your Committee recognizes the struggles that Mr. Gonzalez has faced and applauds his dedication to improving mental health services in Hawaii. Your Committee believes that Mr. Gonzalez's personal journey coupled with his knowledge about mental illness as a consumer and advocate will provide valuable insight to the Maui 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, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3180 Labor on Gov. Msg. Nos. 369 and 370**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 369 ALENA N. MEDEIROS, for a term to expire 6-30-2010; and

G.M. No. 370 ALENA N. MEDEIROS, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Alena N. Medeiros to possess the requisite qualifications to be nominated to the Hawaii Workforce Development Council.

Testimony in support of the nomination of Alena N. Medeiros was submitted by three state agencies, one county agency, six private organizations, and nine individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Alena N. Medeiros has served on the Hawaii Workforce Development Council as an interim appointee for nearly one year. Over the years, Ms. Medeiros has been actively involved in community projects that have improved the quality of life in Hawaii through her time spent as a board member of the Waiialae Public Charter School, Ka Hua Inc., and as a founding member of the Hawaii Housing Alliance.

Your Committee also finds that Ms. Medeiros' broad experiences while employed in various positions with the State of Hawaii will enable her to continue to provide high quality insight and analysis to the Workforce Development Council on issues relating to education, affordable housing, and homelessness. Your Committee further finds that Ms. Medeiros has the ability to provide recommendations to the Hawaii Workforce Development Council that are fair and impartial and she often volunteers to take on complex issues or problems with enthusiasm.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee 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 (Bunda, Hee).

**SCRep. 3181 (Joint) Health and Economic Development and Technology on H.C.R. No. 68**

The purpose of this measure is to request the Governor to proclaim the first day of December of every year, beginning on December 1, 2010, as World AIDS Day in the State of Hawaii.

No testimony was submitted on this measure.

Your Committees find that HIV/AIDS continues to afflict millions of people around the world. Within the State of Hawaii thousands of people are infected with HIV/AIDS each year. Your Committees find that the best defense against the continued spread of HIV/AIDS is more awareness and better education about the transmission, effects, and prevention of HIV/AIDS. Establishing an annual World AIDS day will increase AIDS education and awareness and will memorialize the millions of people around the world who have already been lost to this disease.

Your Committees have 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 Health and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 68, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 68, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 4 (Green, Hee, Hemmings, Slom).

**SCRep. 3182 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on H.C.R. No. 292**

The purpose of this measure is to request the Department of Land and Natural Resources to enter into an agreement to transfer the Mauna Kea State Recreation Area and the Hapuna Beach State Recreation Area to the County of Hawaii.

Testimony in support of the measure was submitted by one county Mayor. One state agency submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this potential transfer would allow the Department of Land and Natural Resources to use its limited resources on other parks or necessary state services, and can serve as a model for other state parks to shift financial and administrative responsibilities to the counties. State parks are generally areas defined by historic significance, cultural resources, or natural resources, and county parks are generally areas defined by the recreational benefit to the community. The Hapuna Beach State Recreation Area is an active state park, with approximately 514,300 total users in 2008. It is an approximately 500-acre area including Hapuna and Wailea beach parks, picnic and shelter lodging opportunities, hiking along a coastal trail, and areas of undeveloped land. The County of Hawaii is prepared to make the necessary investment in infrastructure and maintenance to allow this area to achieve its potential without the transfer of any state personnel or equipment. Your Committees believe a thorough management plan is essential to a smooth transition of management and financial responsibility and looks forward to receiving it prior to the next Regular Session.

Your Committees have amended the measure by:

- (1) Removing Mauna Kea State Recreation Area from the purview of the measure;
- (2) Requesting the County of Hawaii, in consultation with the Department of Land and Natural Resources, to develop and submit a management plan for the transfer of title and responsibility for the Hapuna Beach State Recreation Area to the Legislature prior to the execution of any transfer;
- (3) Clarifying the characteristics of Hapuna Beach State Recreation Area and state parks generally; and
- (4) Specifying considerations that the County of Hawaii is requested to include in the management plan.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 292, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 292, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Espero, Fukunaga, Hemmings, Takamine).

**SCRep. 3183 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 27**

The purpose of this measure is to approve the sale of the fee interest in 95-033 Kuahelani Avenue in Mililani, Oahu.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Nahoia Apartments, built in 1975 as part of a state housing program. The units were sold in leasehold interest to owner-occupiers, who were given the opportunity to purchase the fee simple interest. To date, of the one hundred and sixty units originally sold in leasehold, one hundred and thirty owner-occupiers have purchased the underlying fee simple interest. The purpose of the sale of this property is to promote residential homeownership, and, more specifically, to allow its current leasehold owner, Mr. David McKellar, to obtain fee simple title to his home, at the agreed upon sales price of \$35,900.

Your Committee has amended this measure by:

- (1) Inserting the square footage of the condominium unit, and the undivided interest in the common elements that will be transferred with the unit;
- (2) Inserting a provision describing the history of the subject property;
- (3) Clarifying that there are no further development plans for this property;
- (4) Adding information regarding the purpose of the sale of the subject property;
- (5) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (6) Clarifying that no objections were received at the public informational briefing; and
- (7) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 27, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3184 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 31**

The purpose of this measure is to approve the sale of the fee interest in the condominium unit located at 2949 Ala Ilima Street #201 in Honolulu, Hawaii.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Puana Malu condominiums, acquired in 1975 as part of a state housing program. The units were sold in leasehold interest to owner-occupants, who were given the opportunity to purchase the fee simple interest. To date, of the twenty-one units originally sold in leasehold, nineteen owner-occupants have purchased the underlying fee

simple interest. The purpose of the sale of this property is to promote residential homeownership, and, more specifically, to allow its current leasehold owner, Mr. Brian Yamasaki, to obtain fee simple title to his home, at the agreed upon sales price of \$53,600.

Your Committee has amended this measure by:

- (1) Inserting information regarding the square footage of the unit, and specifying the undivided interest in the common elements of the condominium project to be conveyed with the condominium unit;
- (2) Inserting a provision describing the history of the subject property;
- (3) Correcting the date of the appraisal;
- (4) Clarifying that there are no further development plans for this property;
- (5) Clarifying the purpose of the sale of the property;
- (6) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (7) Correcting the date on which the informational briefing was held regarding the sale of the property;
- (8) Clarifying the language in the provision regarding objections to the sale of the property; and
- (9) Making technical, nonsubstantive changes for the purposes of style, consistency, and clarity.

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. 31, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 31, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3185 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 32**

The purpose of this measure is to approve the fee simple sale of the Northwest Corner parcel in Kapolei, Oahu.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the fee simple sale of this parcel to a developer will expedite completion of the Villages of Kapolei master plan by providing land for additional affordable housing. The subject parcel is vacant and 26.617 acres, located adjacent to the H-1 freeway. This is the last large, undeveloped portion of the Villages of Kapolei, and it is currently zoned as Business Mixed Use-3, County Business District. The Hawaii Housing Finance and Development Corporation hopes to select a developer to design, plan, and develop this parcel to include multi-family housing and neighborhood commercial development that is compatible with the existing residential character of the area. If the sale is approved by the Legislature, the Corporation will use the Request for Proposals procurement method to select a purchaser. The purpose of the sale of the subject property is to further the Corporation's mission to develop and finance low- and moderate-income housing projects and administer homeownership programs, by developing and selling single family residences in fee simple to qualified residents, which benefits not only the qualified purchasers, but also the State.

Your Committee has amended this measure by:

- (1) Adding information regarding the purpose of the sale of the subject property;
- (2) Adding more information regarding the proposed development of the parcel;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (4) Clarifying the language in the provision regarding objections to the sale of the parcels; and
- (5) Making technical, nonsubstantive changes for the purpose of 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 H.C.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 32, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3186 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 33**

The purpose of this measure is to approve the fee simple sale of a 9.105 acre vacant parcel in Village 8 of the Villages of Kapolei in Kapolei, Oahu.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the fee simple sale of this parcel to a developer will expedite completion of the Villages of Kapolei master plan by providing land for additional affordable housing. This vacant parcel is 9.105 acres and is zoned for residential and mixed use development. The Hawaii Housing Finance and Development Corporation hopes to select a developer to design, plan, and

develop this parcel to include single-family residences that are compatible with the existing residential character of the area. If the sale is approved by the Legislature, the Corporation will use the Request for Proposals procurement method to select a purchaser.

Your Committee has amended this measure by:

- (1) Adding more information regarding the proposed development of the parcel;
- (2) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (3) Clarifying the language in the provision regarding objections to the sale of the parcels; and
- (4) Making technical, nonsubstantive changes for the purpose of 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 H.C.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 33, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3187 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 34**

The purpose of this measure is to approve the fee simple sale of Kekuilani Village 4 of the Villages of Kapolei, in Kapolei, Oahu.

Testimony in support of the measure was submitted by one state agency and two private organizations. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the fee simple sale of this parcel to a developer will expedite the completion of the Villages of Kapolei master plan by providing land for additional affordable housing. The parcel is 2.490 acres with thirty-five single-family cluster lots and 0.362 acres of shared driveways. The Hawaii Housing Finance and Development Corporation used the Request for Proposals procurement process to select Castle & Cooke Homes Hawaii, Inc. as the developer of the parcel. The parties executed a development agreement on March 8, 2007, which became effective on September 19, 2007. The development agreement, including the affordability requirements, is intended to be recorded as an encumbrance on the subject properties and continue as covenants running with the land.

Your Committee has amended this measure by:

- (1) Clarifying the purpose of the sale of the parcels;
- (2) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (3) Clarifying the language in the provision regarding objections to the sale of the parcels; and
- (4) Making technical, nonsubstantive changes for the purpose of 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 H.C.R. No. 34, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 34, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3188 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 36**

The purpose of this measure is to authorize the sale of two state-owned vacant parcels in Hokene, Kaneohe, Hawaii.

Testimony in support of the measure was submitted by one state agency. Testimony in opposition to the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the two vacant parcels at issue are part of the undeveloped hillside of the adjacent Hokene residential subdivision and are located, in part, beneath the H-3 Freeway in Kaneohe, Hawaii. Due to the existing easements, irregular shape, topography, and location of the parcels, the most probable development plan is the development of one single-family dwelling unit. The primary purpose of the sale of these parcels is to eliminate from the Hawaii Housing Finance and Development Corporation's inventory those properties, such as the subject parcels, that are unsuitable for residential development.

Your Committee has amended this measure by:

- (1) Including the purpose of the sale of the parcels;
- (2) Specifying the intended development plans for the parcels, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (3) Clarifying the details of the development proposals for the parcels that will be sought using the Request for Proposals procurement method;
- (4) Indicating that the purpose for the provision reserving the right to transfer all or a portion of the parcels to the Department of Transportation is for maintenance easement purposes;
- (5) Clarifying the language in the provision regarding objections to the sale of the parcels;
- (6) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes; and



- (7) Making technical, nonsubstantive changes for purposes of style, consistency, and clarity.

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. 36, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 36, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3189 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 45**

The purpose of this measure is to authorize the sale of state reclaimed lands at Kaneohe, Koolauapoko, Oahu, for beach access right-of-way purposes.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The subject state reclaimed lands were developed as part of a channel-dredging project pursuant to a permit issued in 1939 by the Army Corps of Engineers in Kaneohe Bay. The reclaimed lands were set aside under Governor's Executive Order No. 3410 to the City and County of Honolulu for a beach park. However, the reclaimed lands do not have a sandy beach and maintenance of the parcel is difficult due to limited access. Thus, the City and County of Honolulu did not develop a beach park and has no objection to disposing of a portion of the reclaimed land to the abutting landowners. The reclaimed land abuts three different landowners: the Goulds, the Schreiners, and the City and County of Honolulu. The City and County of Honolulu would like to keep the portion of the land that abuts their existing beach access right-of-way.

Your Committee finds that any fee simple sale or gift of state reclaimed land is subject to section 171-64.7, Hawaii Revised Statutes, which requires that a concurrent resolution be submitted to the Legislature for approval with specific information included. The specific information required includes the appraisal value of the land, the name of the appraiser, and the date of the appraisal. The Department of Land and Natural Resources did not conduct an appraisal for the portion of the reclaimed land to be gifted to the City and County of Honolulu. Without an opinion from the Attorney General to support the Department of Land and Natural Resources' position that an appraisal is not required under the law, your Committee has determined that the Concurrent Resolution is incomplete with regard to the gift to the City and County of Honolulu. Thus, your Committee authorizes the transfers to the Goulds and the Shreiners with this Concurrent Resolution, as amended. However, because there is no appraisal, as required by law, your Committee does not authorize the transfer to the City and County of Honolulu.

Your Committee has amended this measure by:

- (1) Clarifying the history of the subject state reclaimed lands and identifying the Tax Map Key Number;
- (2) Explaining that the Board of Land and Natural Resources action authorized by this Concurrent Resolution refers to three separate transfers of property;
- (3) Including the appraiser, appraisal value, and date of the appraisal for two of the subject transfers, as available;
- (4) Amending the Concurrent Resolution to reflect your Committee's decision to authorize two of the three transfers;
- (5) Amending its title to reflect the amended purpose; and
- (6) Making technical, nonsubstantive changes for the purposes of consistency and clarity.

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. 45, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 45, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3190 Economic Development and Technology on H.C.R. No. 212**

The purpose of this measure is to request Governor Linda Lingle to direct the placement of a plaque commemorating the Korean National Association on the grounds of Washington Place.

Testimony in support of this measure was submitted by the Korean American Foundation of Hawaii.

Your Committee finds one of the remarkable achievements of the early Korean immigrants in Hawaii was the building of the headquarters of the Korean National Association (KNA) in 1914. At a time when Korean immigrants had no mother country to which they might return, KNA was a unique entity that represented and protected Koreans in Hawaii. A commemorative plaque marking the site of the KNA headquarters will serve to remind both Hawaii's Korean community, and an increasing number of Korean visitors about the life of early Korean immigrants in Hawaii.

Your Committee has amended this measure by:

- (1) Amending the title to read: REQUESTING GOVERNOR LINDA LINGLE TO RECOGNIZE LOCAL KOREANS BY ALLOWING A COMMEMORATIVE PLAQUE DESIGNATING THE FORMER SITE OF THE KOREAN NATIONAL ASSOCIATION;
- (2) Deleting the specific location for the placement of the commemorative plaque, in order to allow for further discussion on its final location; and

- (3) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 212, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 212, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 3191 Economic Development and Technology on H.C.R. No. 284**

The purpose of this measure is to request the Department of Accounting and General Services to undertake planning activities with respect to a new stadium on Oahu and related matters.

Testimony in support of this measure was submitted by The Pacific Resource Partnership. The Department of Accounting and General Services and one individual submitted testimony in opposition. The 'Aiea Community Association and Friends of the Pearl Harbor Historic Trail and two individuals submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has deleted the contents of this measure and replaced the contents with the language in S.C.R. No. 224, S.D. 1, which was previously heard and approved by this Committee. Specifically, this measure:

- (1) Amends the title to read: REQUESTING AN UPDATE AND PRESENTATION ON THE STADIUM AUTHORITY'S EFFORTS TO TRANSFER THE RECREATIONAL USE RESTRICTION FROM THE STADIUM FACILITIES AND LANDS TO AN ALTERNATIVE STATE PARCEL; and
- (2) Requests the Comptroller and the Stadium Authority to provide an update and presentation to the State Legislature no later than September 1, 2010, on their efforts to transfer the recreational use restriction from the Stadium facilities and lands to an alternative state parcel, including:
  - (A) A description and timeline of the procedures required to transfer the recreational use restriction, and the current status of each requirement and the projected completion dates;
  - (B) Any requirements by the federal government to limit information available to the public, and efforts to keep the public informed of the transfer process, pursuant to federal requirements;
  - (C) Copies of all relevant public documents;
  - (D) Specific recommendations for future uses of Aloha Stadium facilities, including public/private partnerships for commercial/retail or other types of uses; and
  - (E) Projections for future funding or infrastructure obligations for the Aloha Stadium site or alternative recreational sites by state government.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 284, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 284, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 3192 Economic Development and Technology on H.C.R. No. 296**

The purpose of this measure is to strongly urge the Governor to reconsider her position on whether the Small Business Regulatory Review Board is or is not a core function of the Department of Business, Economic Development, and Tourism and to provide an adequate level of funding sufficient to allow the Board to operate, function, and address the needs of Hawaii's small businesses.

Testimony in support of this measure was submitted by The Chamber of Commerce of Hawaii, The Hawaii Business League, and Hawaii Farm Bureau Federation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has deleted the contents of this measure and replaced the contents with the language in S.C.R. No. 138, S.D. 1, which was previously heard and approved by this Committee. Specifically, this measure:

- (1) Amends the title to read: REQUESTING A STATUS REPORT FROM THE HAWAI'I CAPITAL CULTURAL COALITION; and
- (2) Requests the Hawai'i Capital Cultural Coalition to provide a status report to the Legislature by July 1, 2010, including:
  - (A) The organization's development of the management plan required as part of the proposed designation of the Hawai'i Capital National Heritage Area;
  - (B) The organization's efforts to address past concerns raised by residential property owners and others, as well as current outreach efforts to area property owners, individuals, commercial entities, and others;
  - (C) The feasibility and desirability of reducing the area of the proposed National Heritage Area from its present size to the area immediately surrounding the State Capitol or the Capitol District;

(D) The desirability of including mandatory notification and opt in/opt out provisions in the federal legislation in order to safeguard the rights of private property owners within the National Heritage Area; and

(E) Any concerns or other issues raised during the outreach efforts and how these will be addressed in the management plan.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 296, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 296, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Baker, Hee).

**SCRep. 3193 Economic Development and Technology on H.C.R. No. 297**

The purpose of this measure is to urge Google to select Hawaii as a test site to conduct the Google Gigabit Broadband Initiative.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and the High Technology Development Corporation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has deleted the contents of this measure and replaced the contents with the language in S.C.R. No. 186, S.D. 1, which was previously heard and approved by this Committee. Specifically, this measure:

- (1) Amends the title to read: REQUESTING REPORTS ON THE ECONOMIC VALUE OF EXPANDED WORKFORCE DEVELOPMENT CAPACITY AND STEM INITIATIVES; and
- (2) Requests written reports to the 2011 Legislature, including:
  - (A) A report on the economic value of expanded workforce development capacity to be provided by the Department of Business, Economic Development, and Tourism; and
  - (B) An update on STEM initiatives, including Research Experiences for Teachers – Middle School, Project Environmental and Spatial Technology, Hi-EST, and FIRST academies, and other robotics within Hawaii schools, to be provided by the University of Hawaii College of Engineering; Department of Education; Department of Business, Economic Development, and Tourism; Robotics Organizing Committee; and the Economic Development Alliance of Hawaii Inc., and the Hawaii 3Ts School Technology Laboratories Fund, under section 302A-1314, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 297, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 297, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Baker, Hee).

**SCRep. 3194 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 21**

The purpose of this measure is to approve the fee simple sale of 1593 Papau Street, Kapaa, Hawaii.

Testimony in support of the measure was submitted by one state agency. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation (Corporation) was established to develop and finance low- and moderate-income housing projects and administer homeownership programs. To ensure a balance between the needs of the resident-purchaser and the State, a shared appreciation requirement is imposed on all sales to qualified residents. If a homeowner refinances their mortgage or sells the property, the State gets fifty per cent of any appreciation of the property. Additional requirements are imposed, including if the resident wishes to transfer title within ten years of purchase, then the Corporation has the first option to purchase. Thus, in selling single family residences in fee simple to qualified residents, the State benefits not only from the social benefits linked to home ownership, including increased education for children, lower teen pregnancy rates, and higher lifetime annual income for children, but also from purchase price and the shared appreciation.

The Corporation obtained this property through its rights under its deferred sales price restriction placed on homes developed with the assistance of the expedited development process, established pursuant to chapter 201H, Hawaii Revised Statutes. The resale of this property will enable the Corporation to recoup the State's subsidy that made the home affordable to the original purchaser, and provide another qualified resident with the opportunity for home ownership. Your Committee finds that approving the sale of this home will also relieve the Corporation of the cost of maintenance and liability for the property.

Your Committee has amended the measure by:

- (1) Describing the area of the subject parcel;
- (2) Clarifying that the purpose of selling the property is to promote homeownership and that there are no further development plans for the property;
- (3) Inserting the name of the appraiser;
- (4) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes; and
- (5) 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 concurs with the intent and purpose of H.C.R. No. 21, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 21, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3195 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 22**

The purpose of this measure is to approve the fee simple sale of 1951 Pahoehoe Street in Koloa, Hawaii.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation (Corporation) was established to develop and finance low- and moderate-income housing projects and administer homeownership programs. To ensure a balance between the needs of the resident-purchaser and the State, a shared appreciation requirement is imposed on all sales to qualified residents. If a homeowner refinances their mortgage or sells the property, the State gets fifty per cent of any appreciation of the property. Additional requirements are imposed, including if the resident wishes to transfer title within ten years of purchase, then the Corporation has the first option to purchase. Thus, in selling single family residences in fee simple to qualified residents, the State benefits not only from the social benefits linked to home ownership, including increased education for children, lower teen pregnancy rates, and higher lifetime annual income for children, but also from purchase price and the shared appreciation.

The Corporation obtained this property through its rights under its deferred sales price restriction placed on homes developed with the assistance of the expedited development process, established pursuant to chapter 201H, Hawaii Revised Statutes. The resale of this property will enable the Corporation to recoup the State's subsidy that made the home affordable to the original purchaser, and provide another qualified resident with the opportunity for home ownership. Your Committee finds that approving the sale of this home will also relieve the Corporation of the cost of maintenance and liability for the property.

Your Committee has amended this measure by:

- (1) Including the area of the parcel;
- (2) Clarifying that the purpose for selling the property is to promote affordable residential homeownership and that there are no further development plans;
- (3) Inserting the name of the appraiser;
- (4) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (5) Clarifying that no objections were received at the public informational briefing; and
- (6) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 22, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 22, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3196 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 23**

The purpose of this measure is to approve the fee simple sale of 1098 Onaha Street in Wailuku, Hawaii.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation (Corporation) was established to develop and finance low- and moderate-income housing projects and administer homeownership programs. To ensure a balance between the needs of the resident-purchaser and the State, a shared appreciation requirement is imposed on all sales to qualified residents. If a homeowner refinances their mortgage or sells the property, the State gets fifty per cent of any appreciation of the property. Additional requirements are imposed, including if the resident wishes to transfer title within ten years of purchase, then the Corporation has the first option to purchase. Thus, in selling single family residences in fee simple to qualified residents, the State benefits not only from the social benefits linked to home ownership, including increased education for children, lower teen pregnancy rates, and higher lifetime annual income for children, but also from purchase price and the shared appreciation.

The Corporation obtained this property through its rights under its deferred sales price restriction placed on homes developed with the assistance of the expedited development process, established pursuant to chapter 201H, Hawaii Revised Statutes. The resale of this property will enable the Corporation to recoup the State's subsidy that made the home affordable to the original purchaser, and provide another qualified resident with the opportunity for home ownership. Your Committee finds that approving the sale of this home will also relieve the Corporation of the cost of maintenance and liability for the property.

Your Committee has amended the measure by:

- (1) Including the area of the parcel;

- (2) Clarifying that the purpose for selling the property is to promote affordable residential homeownership and that there are no further development plans;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (4) Clarifying that there were no objections received at the public informational briefing; and
- (5) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 23, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 23, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3197 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 24**

The purpose of this measure is to approve the fee simple sale of 1051 Onaha Street in Wailuku, Hawaii.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation (Corporation) was established to develop and finance low- and moderate-income housing projects and administer homeownership programs. To ensure a balance between the needs of the resident-purchaser and the State, a shared appreciation requirement is imposed on all sales to qualified residents. If a homeowner refinances their mortgage or sells the property, the State gets fifty per cent of any appreciation of the property. Additional requirements are imposed, including if the resident wishes to transfer title within ten years of purchase, then the Corporation has the first option to purchase. Thus, in selling single family residences in fee simple to qualified residents, the State benefits not only from the social benefits linked to home ownership, including increased education for children, lower teen pregnancy rates, and higher lifetime annual income for children, but also from purchase price and the shared appreciation.

The Corporation obtained this property through its rights under its deferred sales price restriction placed on homes developed with the assistance of the expedited development process, established pursuant to chapter 201H, Hawaii Revised Statutes. The resale of this property will enable the Corporation to recoup the State's subsidy that made the home affordable to the original purchaser, and provide another qualified resident with the opportunity for home ownership. Your Committee finds that approving the sale of this home will also relieve the Corporation of the cost of maintenance and liability for the property.

Your Committee has amended this measure by:

- (1) Including the area of the subject parcel;
- (2) Clarifying that the purpose for selling this property is to promote affordable residential homeownership and that there are no further development plans;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (4) Clarifying that there were no objections received at the public informational briefing; and
- (5) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 24, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 24, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3198 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 25**

The purpose of this measure is to approve the fee simple sale of 91-1139 Kamaaha Loop in Kapolei, Oahu.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation (Corporation) was established to develop and finance low- and moderate-income housing projects and administer homeownership programs. To ensure a balance between the needs of the resident-purchaser and the State, a shared appreciation requirement is imposed on all sales to qualified residents. If a homeowner refinances their mortgage or sells the property, the State gets fifty per cent of any appreciation of the property. Additional requirements are imposed, including if the resident wishes to transfer title within ten years of purchase, then the Corporation has the first option to purchase. Thus, in selling single family residences in fee simple to qualified residents, the State benefits not only from the social benefits linked to home ownership, including increased education for children, lower teen pregnancy rates, and higher lifetime annual income for children, but also from purchase price and the shared appreciation.

Your Committee finds that the resale of this property will enable the Corporation to recoup the State's subsidy used to allow the affordable property to be purchased by the original purchaser, and provide another qualified resident with the opportunity for



affordable home ownership. Your Committee also finds that approving the sale of this home will relieve the Corporation of the cost of maintenance and liability for the property.

Your Committee has amended this measure by:

- (1) Clarifying that the purpose for selling this property is to promote homeownership and that there are no further development plans for the property;
- (2) Inserting the name of the appraiser;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (4) Correcting the appraisal value of the property from \$231,000 to \$230,000;
- (5) Clarifying that no objections were received at the public informational briefing; and
- (6) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 25, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 25, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3199 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 26**

The purpose of this measure is to approve the sale of fee simple property located at 91-1072 Welowelo Street in Kapolei, Oahu.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Housing Finance and Development Corporation (Corporation) was established to develop and finance low- and moderate-income housing projects and administer homeownership programs. To ensure a balance between the needs of the resident-purchaser and the State, a shared appreciation requirement is imposed on all sales to qualified residents. If a homeowner refinances their mortgage or sells the property, the State gets fifty per cent of any appreciation of the property. Additional requirements are imposed, including if the resident wishes to transfer title within ten years of purchase, then the Corporation has the first option to purchase. Thus, in selling single family residences in fee simple to qualified residents, the State benefits not only from the social benefits linked to home ownership, including increased education for children, lower teen pregnancy rates, and higher lifetime annual income for children, but also from purchase price and the shared appreciation.

The property subject to this measure was purchased by the Corporation at foreclosure, in accordance with the Corporation's first option to purchase. Your Committee finds the resale of this property will enable the Corporation to recoup the State's subsidy that made the home affordable to the original purchaser, and provide another qualified resident with the opportunity for affordable home ownership. Your Committee also finds that approving the sale of this home will relieve the Corporation of the cost of maintenance and liability for the property.

Your Committee has amended this measure by:

- (1) Clarifying that the purpose for selling this property is to promote affordable residential homeownership and that there are no further development plans for the property;
- (2) Inserting the name of the appraiser;
- (3) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (4) Clarifying that no objections were received at the public informational briefing; and
- (5) Making technical, nonsubstantive changes for the purposes of style and clarity.

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. 26, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 26, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3200 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 28**

The purpose of this measure is to approve the sale of the fee interest in 94-940 Meheula Parkway #149 in Mililani, Oahu.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Nahoa Apartments, built in 1975 as part of a state housing program. The units were sold in leasehold interest to owner-occupiers, who were given the opportunity to purchase the fee simple interest. To date, of the one hundred and sixty units originally sold in leasehold, one hundred and thirty owner-occupants have purchased the underlying

fee simple interest. The purpose of the sale of this property is to promote residential homeownership, and, more specifically, to allow its current leasehold owners, Mr. and Mrs. Bookman, to obtain fee simple title to their home, at the agreed upon sales price of \$33,200.

Your Committee has amended this measure by:

- (1) Identifying the condominium unit number of the subject property;
- (2) Inserting information regarding the square footage of the unit, and specifying the undivided interest in the common elements of the condominium project to be conveyed with the condominium unit;
- (3) Inserting a provision describing the history of the subject property;
- (4) Clarifying that there are no further development plans for this property;
- (5) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (6) Clarifying the purpose of the sale of the property;
- (7) Clarifying the language in the provision regarding objections to the sale of the property; and
- (8) Making technical, nonsubstantive changes for the purposes of style, consistency, and clarity.

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. 28, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 28, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3201 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 29**

The purpose of this measure is to approve the sale of the fee interest in 95-029 Kuahelani Avenue in Mililani, Oahu.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Nahoia Apartments, built in 1975 as part of a state housing program. The units were sold in leasehold interest to owner-occupiers, who were given the opportunity to purchase the fee simple interest. To date, of the one hundred and sixty units originally sold in leasehold, one hundred and thirty owner-occupiers have purchased the underlying fee simple interest. The purpose of the sale of this property is to promote residential homeownership, and, more specifically, to allow its current leasehold owner, Ms. Rosalie Woodson, to obtain fee simple title to her home, at the agreed upon sales price of \$33,100.

Your Committee has amended this measure by:

- (1) Identifying the condominium unit number of the subject property;
- (2) Inserting information regarding the square footage of the unit, and specifying the undivided interest in the common elements of the condominium project to be conveyed with the condominium unit;
- (3) Inserting a provision describing the history of the subject property;
- (4) Clarifying that there are no further development plans for this property;
- (5) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (6) Clarifying the purpose of the sale of the property;
- (7) Clarifying the language in the provision regarding objections to the sale of the property; and
- (8) Making technical, nonsubstantive changes for the purposes of style, consistency, and clarity.

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. 29, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 29, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3202 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 30**

The purpose of this measure is to approve the sale of the fee interest in 95-021 Kuahelani Avenue in Mililani, Oahu.

Testimony in support of the measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this property is a unit in the Nahoia Apartments, built in 1975 as part of a state housing program. The units were sold in leasehold interest to owner-occupiers, who were given the opportunity to purchase the fee simple interest. To date, of the one hundred and sixty units originally sold in leasehold, one hundred and thirty owner-occupiers have purchased the underlying fee simple interest. The purpose of the sale of this property is to promote residential homeownership, and, more specifically, to allow its current leasehold owner, Mr. Jason Narito, to obtain fee simple title to his home, at the agreed upon sales price of \$42,000.

Your Committee has amended this measure by:

- (1) Identifying the condominium unit number of the subject property;
- (2) Inserting information regarding the square footage of the unit, and specifying the undivided interest in the common elements of the condominium project to be conveyed with the condominium unit;
- (3) Inserting a provision describing the history of the subject property;
- (4) Clarifying that there are no further development plans for this property;
- (5) Including a provision specifying that a copy of the measure was submitted to the Office of Hawaiian Affairs and the date of the submission, in accordance with section 171-64.7, Hawaii Revised Statutes;
- (6) Clarifying the purpose of the sale of the property;
- (7) Clarifying the language in the provision regarding objections to the sale of the property; and
- (8) Making technical, nonsubstantive changes for the purposes of style, consistency, and clarity.

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. 30, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 30, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3203 (Majority) Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 50**

The purpose of this measure is to request a summit for the healing and creation of positive change for the State Historic Preservation Division of the Department of Land and Natural Resources.

Testimony in support of the measure was submitted by two state agencies and one organization. One organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State Historic Preservation Division (SHPD) is tasked with protecting historic and cultural property for the education, inspiration, pleasure, and enrichment of all citizens of the State. However, on March 19, 2010, the National Park Service released its final report which found, among other things, that SHPD is deficient in the federal program areas of: survey and inventory, review and compliance, and National Register of Historic Places and Historic Preservation Planning. The deficiency was determined to be largely relating to inadequate staffing and availability of information on important sites. The National Park Service has given SHPD two years to comply with mandated corrective actions, which, if not met, would result in suspension of their annual grant which comprises half of SHPD's budget. Additionally, in the last several years in particular, SHPD's protection of Hawaiian historic sites has been highly criticized for being understaffed and lacking archeological expertise.

Your Committee further finds that pursuant to the National Historic Preservation Act, as amended, it is the policy of the federal government to assist state and local governments, Indian tribes and native Hawaiian organizations, and the National Trust for Historic Preservation in the United States to expand and accelerate their historic preservation programs and activities. Under that Act, a tribe may assume official responsibility for a number of functions aimed at the preservation of significant historic properties. The establishment of a Tribal Historic Preservation Office would allow native Hawaiian historic properties to be overseen by qualified staff, specially trained in native Hawaiian practices and culture. In light of the probable passage of the Native Hawaiian Government Reorganization Act of 2009, your Committee hopes that the State will take adequate measures to prepare for a federally-recognized native Hawaiian sovereign entity.

Your Committee has amended this measure by:

- (1) Inserting a provision to request that the Auditor conduct a program and management audit of SHPD;
- (2) Removing the provision requesting a healing summit; and
- (3) Requesting that the Legislature create a Joint House and Senate Interim Committee to study the feasibility of establishing a Tribal Historic Preservation Office within the Department 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 concurs with the intent and purpose of H.C.R. No. 50, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 50, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Fukunaga). Excused, 2 (Hemmings, Takamine).

**SCRep. 3204 Economic Development and Technology on H.C.R. No. 87**

The purpose of this measure is to designate Surf Week in Hawaii during the week that includes August 24, the birth date of one of Hawaii's most famous and skillful watermen, Duke Kahanamoku.

Testimony in support of this measure was submitted by Waikiki Beach Activities, three board members of the Outrigger Duke Kahanamoku Foundation, four members of the Oceanfest Committee, and five individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the international popularity of surfing makes it one of the world's most dominant ocean sports, and the designation of a Surf Week would honor and celebrate the surfing tradition of Hawaii's watermen and water women.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 87, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Hee).

**SCRep. 3205 (Majority) Economic Development and Technology on H.C.R. No. 161**

The purpose of this measure is to request that Castle & Cooke Hawaii, Inc., work together with the Oahu Arts Center and the community to secure an appropriate site for an arts center.

Testimony in support of this measure was submitted by a member of the House of Representatives, District 37; Pas De Deux Performing Arts Center; Law Offices of Jo-Ann M. Adams, LLLC; and seven individuals. Castle & Cooke Hawai'i submitted testimony in opposition. Five individuals submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the development of a performing arts and arts education center would provide significant benefits for the central Oahu community. Moreover, the development of such an arts center will protect, promote, and nurture the work of local artists and the local art industry.

Your Committee has heard a number of concerns raised by Castle & Cooke Hawai'i, and understands that Castle & Cooke's conditional offer to donate land to Oahu Arts Center expired over a year ago, and was a contractual matter between private parties. Castle & Cooke has stated that the company was an early supporter of the Center, with cash and in-kind donations, and conditionally offered to donate land in Mililani Mauka for development of an arts center facility, if the Center could meet planning and development milestones to ensure feasibility of the facility. Castle & Cooke has further noted that the Center was unable to meet development milestones, including showing evidence of financial ability to construct and operate the facility, and as a result, the conditional offer to donate land expired.

Your Committee understands the concerns of Castle & Cooke, but would urge the company to continue dialogue with the Center and the community, as a resolution of the concerns would benefit both the company and the broader community.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Hee).

**SCRep. 3206 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 340**

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

G.M. No. 340 RONALD I. HELLER, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Ronald I. Heller to have the necessary qualifications for the Land Use Commission.

Testimony in support of the nomination was submitted by one state agency, one state commission, three organizations, and twenty-six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Heller is nominated to be an at-large member of the Land Use Commission. He received his Bachelor's degree in Economics and Philosophy, his Master's degree in Business Administration, and his Juris Doctor from the University of Michigan. He is presently employed as an attorney at Torkildson, Katz, Moore, Hetherington & Harris and is also a certified public accountant. He has served on numerous boards and committees, most recently as the Vice-Chair of the Tax Review Commission, the President of the Hawaii Society of Certified Public Accountants, and as a Councilmember of the American Institute of Certified Public Accountants. He has been continuously listed in "The Best Lawyers in America" under the tax law section since 1993.

Mr. Heller believes that one of the main responsibilities of a Land Use Commissioner is to follow the law. Each decision requires a careful analysis of what the facts are, how the law applies to those facts, and what result the law requires. Although his professional experience does not qualify him as a land use expert, he has litigated a variety of cases which required the ability to ascertain the facts, research and analyze the law, determine how the law applies to those facts, and explain why a particular decision is the correct one under the law. He understands this is the same process the Land Use Commission uses for contested cases. However, he also understands the difference between being an advocate and being a decision maker. His experiences as an arbitrator have impressed upon him the importance of a decision maker being fair, open-minded, and impartial. Additionally, Mr. Heller recognizes that the quasi-judicial process of the Land Use Commission requires Commissioners to consider the impacts of specific cases on those persons and organizations who may not have attorneys and consultants to represent them. The law states clear policy objectives for the Land Use Commission and Mr. Heller believes that these policy objectives are imperative to Land Use Commission decisions.

Your Committee was referred a total of four nominees to the Land Use Commission this Regular Session for advise and consent. Three nominees are current Land Use Commissioners and have worked in construction and housing developments. The fourth nominee, Mr. Heller, is a civil litigation attorney with no experience in land issues who will be replacing a current Commissioner who is an attorney in construction litigation. Of the remaining four Commissioners, two are attorneys in construction litigation - one in

insurance defense and one in real estate, one Commissioner works in a related construction field, and one is a retired union business agent. While the nominees have come from varied backgrounds, not one nominee is a farmer, conservationist, or ecologist.

Although the State is mandated by Article XI, Section 3 of the Hawaii State Constitution to conserve and protect agricultural lands, the Land Use Commission has reclassified 2,022 acres of conservation (29 acres) and prime agricultural lands (1,993 acres) for urban uses within the last five years. These acres are forever lost for future agriculture use.

In 2005, the Legislature passed Act 183 to implement the intent and purpose of Article XI, Section 3 of the Hawaii State Constitution and establish standards, criteria, and mechanisms to identify important agricultural lands (IAL). In 2008, the Legislature passed Act 233 that provided incentives to private land owners to designate their lands IAL, required the Department of Agriculture and Department of Land and Natural Resources to jointly identify the state-owned lands that should be designated as "important agricultural lands", and transferred management authority over those lands to the Department of Agriculture.

The Land Use Commission has *two* pending petitions to reclassify over 2,098 acres of prime agricultural lands on Oahu to urban use (Koa Ridge at 545 acres and Hoopili at 1,554 acres), or twenty per cent of the estimated 10,900 acres of remaining prime agricultural lands on Oahu.

Your Committee is concerned with the lack of identification of prime agricultural lands by both private and public landowners on Oahu. The current laws are inadequate to protect Hawaii's prime agricultural lands if the State does not compile an inventory of remaining prime agricultural lands on all islands. Furthermore, the non-compliance by the Department of Land and Natural Resources and the Department of Agriculture to jointly identify State-owned prime agricultural lands further exacerbates the lack of protection for prime agricultural lands. Perhaps the Legislature should place a moratorium on the reclassification of agricultural lands until identification has been completed.

The Legislature cannot relinquish its authority to reclassify lands to state departments, commissions, or counties. This authority transcends the nominations for key commissions and boards as well. To do otherwise is to fail in our constitutional mandate to protect and preserve 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, 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, 1 (Hemmings).

**SCRep. 3207 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 341**

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

G.M. No. 341 RANSOM A.K. PILTZ, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Ransom A.K. Piltz to have qualifications to be nominated to the Land Use Commission.

Testimony in support of the nomination was submitted by one state agency, one state commission, and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Piltz is presently an at-large member of the Land Use Commission. He received his Bachelor's degree in Business Administration from the University of Dayton, and is presently employed as the Mechanical and Electrical Coordinator for Ledcor Construction - Hawaii, LLC. Mr. Piltz is a businessman, who ran his own electrical contracting company for thirty-three years. He has served as the Chairman of the Maui Planning Commission, President of the Maui Contractors Association, and Chairman of the St. Anthony Junior - Senior High School Board.

Mr. Piltz has served on the Land Use Commission for five years, and the term he is nominated for will expire on April 26, 2013. During his service with the Land Use Commission, he has had to weigh testimony for and against projects from the public, state and county agencies, and developers and land owners. The Commissioners must weigh this testimony and come to a fair decision in light of the policies and laws set by the Legislature. Twenty-five years ago, the State Data Book asserted that 5000 acres of agricultural land was sufficient to supply food for the entire population of the State. As the population grows, so must that estimate of the minimum amount of agricultural land needed to feed the State.

Your Committee was referred a total of four nominees to the Land Use Commission this Regular Session for advise and consent. Three nominees are current Land Use Commissioners and have worked in construction and housing developments. The fourth nominee is a civil litigation attorney with no experience in land issues who will be replacing a current Commissioner who is an attorney in construction litigation. Of the remaining four Commissioners, two are attorneys in construction litigation - one in insurance defense and one in real estate, one Commissioner works in a related construction field, and one is a retired union business agent. While the nominees have come from varied backgrounds, not one nominee is a farmer, conservationist, or ecologist.

Although the State is mandated by Article XI, Section 3 of the Hawaii State Constitution to conserve and protect agricultural lands, the Land Use Commission has reclassified 2,022 acres of conservation (29 acres) and prime agricultural lands (1,993 acres) for urban uses within the last five years. These acres are forever lost for future agriculture use.

In 2005, the Legislature passed Act 183 to implement the intent and purpose of Article XI, Section 3 of the Hawaii State Constitution and establish standards, criteria, and mechanisms to identify important agricultural lands (IAL). In 2008, the Legislature passed Act 233 that provided incentives to private land owners to designate their lands IAL, required the Department of Agriculture



and Department of Land and Natural Resources to jointly identify the state-owned lands that should be designated as “important agricultural lands”, and transferred management authority over those lands to the Department of Agriculture.

Presently, the Land Use Commission has *two* pending petitions to reclassify over 2,098 acres of prime agricultural lands on Oahu to urban use (Koa Ridge at 545 acres and Hoopili at 1,554 acres), or twenty per cent of the estimated 10,900 acres of remaining prime agricultural lands on Oahu.

Your Committee is concerned with the lack of identification of prime agricultural lands by both private and public landowners on Oahu. The current laws are inadequate to protect Hawaii’s prime agricultural lands if the State does not compile an inventory of remaining prime agricultural lands on all islands. Furthermore, the non-compliance by the Department of Land and Natural Resources and the Department of Agriculture to jointly identify State-owned prime agricultural lands further exacerbates the lack of protection for prime agricultural lands. Perhaps the Legislature should place a moratorium on the reclassification of agricultural lands until identification has been completed.

The Legislature cannot relinquish its authority to reclassify lands to state departments, commissions, or counties. This authority transcends the nominations for key commissions and boards as well. To do otherwise is to fail in our constitutional mandate to protect and preserve 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, 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 (Bunda, Hemmings, Takamine).

**SCRep. 3208 Water, Land, Agriculture, and Hawaiian Affairs on Gov. Msg. No. 338**

Recommending that the Senate advise and consent to the nomination of the following:

LAND USE COMMISSION

G.M. No. 338 DUANE KANUHA, for a term to expire 6-30-2013

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Duane Kanuha to have qualifications for the Land Use Commission.

Testimony in support of the nomination was submitted by one state agency, one state commission, one organization, and four individuals. Testimony in opposition was submitted by one organization and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Mr. Kanuha is presently a member of the Land Use Commission, and **is the designated member with substantial experience or expertise in traditional Hawaiian land usage and knowledge of cultural land practices.** He has been a land use and planning professional in both the public and private sectors in Hawaii for over thirty years. Mr. Kanuha received his Bachelor’s degree in Geography, with an emphasis on Urban Geography and Planning, from the University of Hawaii at Hilo, and is presently employed as the Executive Vice President of the Surety Kohala Corporation and Kohala Investment Works, LLC. He is an active member of the Hawaii Leeward Planning Conference, the Urban Land Institute, and the National Association for Interpretation. He has served on the Board of Directors for Na Kalai Waa, was a long standing appointment to the Hawaii County Na Ala Hele Advisory Council, and was a founding member of the Hawaii County Native Hawaiian Chamber of Commerce.

Mr. Kanuha believes that the public interest is adequately represented in the Land Use Commission proceedings through the taking of public testimony on all petitions before the Commission and the intervener process. Public interest intervention has provided a refreshing additional viewpoint that the Commission has taken very seriously. However, Mr. Kanuha also believes that role of the Land Use Commission, and its quasi-judicial procedures, would be better suited for dispute resolution and final decision making. He believes it is time to review the role of the Land Use Commission with regard to land use classifications that are not challenged or disputed.

Mr. Kanuha has limited experience with traditional Hawaiian land usage and knowledge. He has worked with a voyaging group that manages and maintains a navigation heiau on property owned by the Surety Kohala Corporation. With the assistance of this group, they have developed protocols for the use of this site and other cultural features of the property and how other navigators may use the heiau.

Your Committee was referred a total of four nominees to the Land Use Commission this Regular Session for advise and consent. Three nominees are current Land Use Commissioners and have worked in construction and housing developments. The fourth nominee is a civil litigation attorney with no experience in land issues who will be replacing a current Commissioner who is an attorney in construction litigation. Of the remaining four Commissioners, two are attorneys in construction litigation - one in insurance defense and one in real estate, one Commissioner works in a related construction field, and one is a retired union business agent. While the nominees have come from varied backgrounds, not one nominee is a farmer, conservationist, or ecologist.

Although the State is mandated by Article XI, Section 3 of the Hawaii State Constitution to conserve and protect agricultural lands, the Land Use Commission has reclassified 2,022 acres of conservation (29 acres) and prime agricultural lands (1,993 acres) for urban uses within the last five years. These acres are forever lost for future agriculture use.

In 2005, the Legislature passed Act 183 to implement the intent and purpose of Article XI, Section 3 of the Hawaii State Constitution and establish standards, criteria, and mechanisms to identify important agricultural lands (IAL). In 2008, the Legislature passed Act 233 that provided incentives to private land owners to designate their lands IAL, required the Department of Agriculture

and Department of Land and Natural Resources to jointly identify the state-owned lands that should be designated as “important agricultural lands”, and transferred management authority over those lands to the Department of Agriculture.

The Land Use Commission has *two* pending petitions to reclassify over 2,098 acres of prime agricultural lands on Oahu to urban use (Koa Ridge at 545 acres and Hoopili at 1,554 acres), or twenty per cent of the estimated 10,900 acres of remaining prime agricultural lands on Oahu.

Your Committee is concerned with the lack of identification of prime agricultural lands by both private and public landowners on Oahu. The current laws are inadequate to protect Hawaii’s prime agricultural lands if the State does not compile an inventory of remaining prime agricultural lands on all islands. Furthermore, the non-compliance by the Department of Land and Natural Resources and the Department of Agriculture to jointly identify State-owned prime agricultural lands further exacerbates the lack of protection for prime agricultural lands. Perhaps the Legislature should place a moratorium on the reclassification of agricultural lands until identification has been completed.

The Legislature cannot relinquish its authority to reclassify lands to state departments, commissions, or counties. This authority transcends the nominations for key commissions and boards as well. To do otherwise is to fail in our constitutional mandate to protect and preserve 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, 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, 1 (Hemmings).

**SCRep. 3209 Human Services on Gov. Msg. Nos. 414, 447, 448, 449, 450, 451, and 452**

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

- G.M. No. 414 DONALD THOMSON, for a term to expire 6-30-2013;
- G.M. No. 447 JUDITH CORYELL, for a term to expire 6-30-2013;
- G.M. No. 448 REGINA GOO, for a term to expire 6-30-2013;
- G.M. No. 449 GWEN L. KELIHOOMALU, for a term to expire 6-30-2013;
- G.M. No. 450 PINA S. LEMUSU, for a term to expire 6-30-2013;
- G.M. No. 451 HOWARD ALAN LESSER, for a term to expire 6-30-2013; and
- G.M. No. 452 ROBERT SCOTT WALL, for a term to expire 6-30-2013

DONALD THOMSON

Testimony in favor of Donald Thomson’s nomination was submitted by the Department of Human Services.

Donald Lee Thompson obtained a Master of Arts degree in Sociology and a concurrent Master of Arts degree in American Studies from the University of Hawaii at Manoa in 1971. Between 1971 and 2007, Mr. Thomson was a Professor at Leeward Community College in the Social Sciences Division. After leaving Leeward Community College, Mr. Thomson became a Professor Emeritus at the University of Hawaii at Manoa, a position he currently holds. Mr. Thomson was also the President of Friends of Jazz Hawaii from 1990-1998, and currently is the Vice President of the Hawaii Association of the Blind, a post which he has held since 1969.

Mr. Thomson has served previously on the State Rehabilitation Council, and the Department of Human Services spokesperson testified that he has brought a wealth of years of experience, primarily in the area of legislative matters, processing and effectively addressing the issues that arise in advocating for people with disabilities. As a former vocational rehabilitation services recipient, Mr. Thomson brings a unique perspective to the Council and maintains that given the right opportunity, training and tools, people with disabilities can achieve the same level of education and employment as their non-disabled counterparts.

Your Committee finds, based on Donald Lee Thomson’s knowledge, abilities, and experience, that he is suited for a position on the State Rehabilitation Council and recommends that he be reappointed for another term.

JUDITH CORYELL

Testimony in favor of Judith Coryell’s nomination was submitted by the Department of Human Services and two individuals.

Judith Coryell obtained an Associate’s degree in Nursing from Northern Arizona University in 1969 and a Bachelor of Science in Nursing from San Diego State University in 1974. In 1978, Ms. Coryell went on to obtain a Master of Arts degree from California State University Northridge in Special Education, with a concentration in Deaf Education, followed by a doctorate in Education from the University of Rochester in 1989.

Ms. Coryell is currently an Assistant Professor at both Kapiolani Community College and University of Hawaii at Manoa, positions she has held since 2007 and 2002, respectively. Previous to that, Ms. Coryell was an Associate Professor at McDaniel College in Maryland, California State University Northridge, and Rochester Institute of Technology.

Ms. Coryell is affiliated with numerous groups, including the National Association of the Deaf, Council of American Instructors of the Deaf, Council of Exceptional Children, and the Aloha State Association of the Deaf. Ms. Coryell has her California Teaching Credentials Certificate as well as a Professional Certificate from the Council on Education for the Deaf.

Testimony on Ms. Coryell's behalf indicates that she is extremely capable and has a strong background with experience in serving the community. She also has a great attitude and takes the initiative to get things done. Ms. Coryell is highly creative as a visionary and has a vast pool of information and experiences.

Your Committee finds that based on Judith Coryell's knowledge, abilities, and experience that she is well-suited for a position on the State Rehabilitation Council and recommends her appointment.

#### REGINA GOO

Testimony in favor of Regina Goo's nomination was submitted by the Department of Human Services, the Disability and Communication Access Board and two individuals.

Ms. Goo completed courses in the Human Services Program at Honolulu Community College and also studied Culinary Arts at Kapiolani Community College. Ms. Goo has worked for several years in the field of education and is currently an Educational Assistant with the Department of Education. She also is a Vocational Assistant at Goodwill Industries. Ms. Goo has served as a member of the Deaf and Hard of Hearing Advisory Board for the past thirteen years and serves as a representative on the Legislature's Deaf and Blind Task Force.

Testimony indicates that Ms. Goo has a strong interest in community service and works to improve the community, especially in the area of communication access for individuals that are deaf and hard of hearing. She has a good attitude and would be a great asset to the State Rehabilitation Council. Ms. Goo brings a great understanding of the complexities of the deaf and hard of hearing community and their needs for employment as she is a previous recipient of vocational rehabilitation services.

Your Committee is confident that, based on her knowledge, experience and skills, Regina Goo is well-suited for a position on the State Rehabilitation Council and recommends her appointment.

#### GWEN KELIHOOMALU

Testimony in support of Gwen Kelihoomalua's nomination was submitted by the Department of Human Services.

Ms. Kelihoomalua received her Bachelor of Arts degree from the University of California at Riverside in 1975 and her Master of Arts degree from California State University in 1976 in Counseling and Guidance. In 1978 she was a doctoral candidate at the University of California, Los Angeles. Currently, Ms. Kelihoomalua is a Senior Vocational Consultant at Broadspire/Crawford & Company. Previously, she has held numerous positions in the rehabilitation field in California, Arizona, and Hawaii. Ms. Kelihoomalua holds several credentials, including being a licensed mental health counselor, certified rehabilitation counselor, and a registered vocational rehabilitation specialist.

Testimony submitted by the Department of Human Services indicates that Ms. Kelihoomalua brings a much needed perspective from private industries and she is a qualified vocational rehabilitation counselor providing services for individuals that are disabled. Ms. Kelihoomalua maintains that consistency of opportunity and education leads to the possibilities of quality employment and a life filled with dreams attained.

Your Committee is confident that, based on her knowledge, experience, and skills, Gwen Kelihoomalua is an asset to the State Rehabilitation Council and recommends her reappointment.

#### PINA S. LEMUSU

Testimony in favor of Ms. Lemusu's nomination was submitted by the Department of Human Services, Vocational Rehabilitation and Services for the Blind, Abilities Unlimited, and one individual.

Ms. Lemusu received her Associate's degree in Liberal Arts from Leeward Community College in 1999 followed by her Bachelor of Arts degree in Justice Administration in 2002 from the University of Hawaii, West Oahu. She went on to obtain her Master's degree in Education from the University of Hawaii at Manoa in 2006 followed by studies beginning in 2007 for a doctorate degree in Special Education. Ms. Lemusu currently works at the Vocational Rehabilitation Services for the Blind Division where she holds two concurrent positions as Metro Section Supervisor and Vocational Rehabilitation Specialist. Previously, Ms. Lemusu has worked at Hawaii Centers for Independent Living and Lanakila Rehabilitation Center. Ms. Lemusu is very active in the community and in the rehabilitation field, where she is affiliated with the State Rehabilitation Council, the National Rehabilitation Association, the Statewide Independent Living Council and the University of Hawaii Vocational Rehabilitation Advisory Board.

Testimony submitted indicates that Ms. Lemusu is a grassroots advocate with a broad understanding of individuals with disabilities and experiences that add to her wealth of knowledge. She brings with her a gentle calmness and thoughtful reflection and has outstanding communication skills that are useful with clients and employment counselors, among others.

Your Committee is confident that, based on her knowledge, experience and skills, Pina Lemusu is an asset to the State Rehabilitation Council and recommends her reappointment.

#### HOWARD ALAN LESSER

Testimony in favor of the nomination of Howard Lesser was submitted by the Department of Human Services and the Hawaii Disability Rights Center. Testimony in opposition to the nomination of Howard Lesser was submitted by one individual.

Howard Alan Lesser obtained a Bachelor of Arts degree in Psychology from the University of Cincinnati in 1978 and is currently employed as the Interim Executive Director at the Hawaii Disability Rights Center. Prior to that, Mr. Lesser worked with the Hawaii Centers for Independent Living, Goodwill Industries of Honolulu, Inc, the Protection and Advocacy Agency of Hawaii, Inc., the

Hawaii State Planning Council on Developmental Disabilities, and the Autistic Vocational Education Center. Mr. Lesser is very involved in community services and active with numerous organizations such as the Children's Coordinating Council, Hawaii Diabetes Association, Honolulu Community Action Program, Palolo Lions Club, and the Hawaii State Mental Health Planning and Advisory Council.

Testimony in favor of Mr. Lesser's nomination indicates that he is sensitive to the needs of persons with disabilities and brings to the table an understanding of how to demonstrate the priorities of service within the vocational rehabilitation agency. His experience in serving people with disabilities has spanned his career since moving to Hawaii in 1979 and he will serve his term with a high degree of professionalism.

Your Committee finds that despite the testimony submitted in opposition to Mr. Lesser's appointment, based on his ability, experience and knowledge, Howard Lesser is well-equipped for reappointment to the State Rehabilitation Council.

#### ROBERT SCOTT WALL

Testimony in favor of Mr. Wall's nomination was submitted by the Department of Human Services, Mental Health America of Hawaii, and two individuals.

Robert Scott Wall has varied experience in both employment and education. Mr. Wall has studied at Laney Junior College, Santa Rosa Junior College, San Francisco State University, Diablo Valley College, College of Alameda, Texas Tech University and California State University at Hayward where he received a Bachelor of Arts degree in History in 1995. Mr. Wall is currently an Executive Assistant and Grant Writer for United Self Help and has held positions with NAMI Hawaii and the Mental Health State Incentive Grant, as well as teaching various classes at multiple levels. Mr. Wall is a Board Member of the Makamae Unit Residents Association of the Hawaii Public Housing Authority and a Certified Peer Specialist for the State of Hawaii.

Testimony on Mr. Wall's behalf indicates that he is respected and honored in the mental health community for his continued work, commitment, and advocacy for individuals that are disabled. He is a life-long mental health consumer and would bring a fresh perspective to the Council. Mr. Wall is also a capable, effective, intelligent, and passionate advocate on behalf of people with mental illnesses.

Based on Mr. Wall's knowledge, experience, and the testimony submitted, your Committee is confident that he is well-suited for the State Rehabilitation Council and recommends his appointment.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, 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. 3210 Labor on Gov. Msg. No. 422**

Recommending that the Senate advise and consent to the nomination of the following:

#### HAWAII LABOR RELATIONS BOARD

G.M. No. 422 NORMAN KENICHI KATO II, for a term to expire 6-30-2011

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Norman Kenichi Kato, II to possess the requisite qualifications to be nominated to the Hawaii'i Labor Relations Board.

Testimony in support of the nomination of Norman Kenichi Kato, II was submitted by two private organizations and ten individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Norman Kenichi Kato, II has provided the State of Hawaii Organization of Police Officers (SHOPO) with exceptional legal service as General Counsel for the past eleven years. Specifically, Mr. Kato has provided legal advice and counsel to the SHOPO Board of Directors, its staff, and its members, which has included arbitrating grievances and representing the union and its members before various agencies, boards, commissions, and courts.

Your Committee also finds that Mr. Kato's intimate familiarity with Hawaii's laws relating to labor and collective bargaining will enable him to provide sound advice and insightful recommendations and analysis to issues facing the Labor Relations Board. Your Committee further finds that Mr. Kato's skill set, education, experience, and upbringing will allow him to offer the Labor Relations Board with a labor representative perspective that will enable the Board to conduct its hearings and resolve labor disputes in a fair, efficient, and equitable manner as is possible.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Bunda, Hee).

#### **SCRep. 3211 Labor on Gov. Msg. No. 453**

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. 453 JERRY RAUCKHORST, for a term to expire 1-1-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jerry Rauckhorst to possess the requisite qualifications to be nominated to the Board of Trustees of the Employees' Retirement System.

Testimony in support of the nomination of Jerry Rauckhorst was submitted by four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that for the past fifteen years Jerry Rauckhorst has assisted in implementing and managing comprehensive employee benefit packages for over three hundred employees while serving as President and Chief Executive Officer of Catholic Charities Hawaii. Your Committee also finds that Mr. Rauckhorst has the education and experience necessary to serve on the Board of Trustees of the Employees' Retirement System to ensure that the pension earned by State and county employees is managed in a fiscally responsible manner.

Your Committee further finds that Mr. Rauckhorst has a proven and successful track record in strategic planning, organizational development, and finance that can be utilized by the Board of Trustees of the Employees' Retirement System to assist the Board in achieving its fiduciary responsibilities and overcoming any challenges it may face over the next four years.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, 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 (Bunda, Hee).

**SCRep. 3212 Water, Land, Agriculture, and Hawaiian Affairs on H.C.R. No. 44**

The purpose of this measure is to authorize the sale of the state reclaimed land at Kaalaea, Koolaupoko, Oahu for private property purposes.

Testimony in support of the measure was submitted by one state agency. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the parcel of land subject to this measure is 156 square feet of reclaimed land that is included in the fully fenced property of Joseph and Stephanie Phillips and is abutted by a seawall built in the 1950s. During the Kaneohe Bay Piers Amnesty Program in 2001, the Phillips obtained a pier lease from the Department of Land and Natural Resources and a field survey discovered 156 square feet of state reclaimed lands abutting the Phillips private property. The Phillips entered into a fifty-five year easement for the 156 square foot parcel. As part of the easement agreement, the Phillips are required to maintain commercial insurance on the parcel. In 2007, the Phillips requested to purchase the parcel in fee simple and the Board of Land and Natural Resources approved the sale. The appraised value of the parcel is \$11,550. The Phillips estimate that the cost of the insurance far exceeds the appraised value of the parcel, and would like to pass the property on to later generations with fewer encumbrances.

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. 44, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3213 Water, Land, Agriculture, and Hawaiian Affairs on S.R. No. 12**

The purpose of this measure is to request the Children and Youth Month Planning Committee and the Nature Conservancy, in partnership with other community organizations, to establish and coordinate a statewide program to plant one million trees by October 2010, as part of the Children and Youth Month celebration.

No testimony was received for this measure.

Your Committee has amended this measure by incorporating language from S.R. No. 11, which requests the Department of Land and Natural Resources to establish a public service program for volunteers to pick up litter on Hawaii's beaches. Specifically, this measure:

- (1) Amends the title to read: REQUESTING THE ESTABLISHMENT OF A STATEWIDE SERVICE PROJECT TO PLANT ONE MILLION TREES AND CLEAN BEACHES ACROSS THE STATE BY OCTOBER 2010, AS PART OF THE CHILDREN AND YOUTH MONTH CELEBRATION;
- (2) Adds Whereas language regarding the importance of efforts to clean up Hawaii's beaches;
- (3) Requests the Hawaii State Legislature's Keiki Caucus, Children and Youth Month Planning Committee, and Kanu Hawaii, in partnership with other community organizations, to establish and coordinate a statewide service project to plant one million trees and clean beaches across the State by October 2010, as part of the Children and Youth Month celebration, and when feasible, to log their efforts on the Kanu Hawaii website: [kanuhawaii.org/milliontreesofaloha](http://kanuhawaii.org/milliontreesofaloha);
- (4) Requests the Keiki Caucus, with the assistance of Kanu Hawaii, to establish Malama o ke Kahakai, a public service project for volunteers to care for Hawaii's beaches by picking up litter and debris, and encourage community groups, churches, businesses, and individuals to pick up litter and debris and beautify beaches across the islands, and log their efforts on the Kanu Hawaii website: [kanuhawaii.org/caringforourbeaches](http://kanuhawaii.org/caringforourbeaches); and
- (5) Adds various entities to the list of those to receive a copy of the 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 concurs with the intent and purpose of S.R. No. 12, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 12, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Hemmings, Takamine).

**SCRep. 3214 Ways and Means on Gov. Msg. No. 423**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT (OAHU)

G.M. No. 423 ALAN MUN LEONG YEE, for a term to expire 6-30-2014

Your Committee received testimony in support of the nomination of Alan Mun Leong Yee from the Department of Taxation. A resume was submitted by the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony and other information received, your Committee finds that the nominee's understanding of tax law and board procedures and his commitment to public service qualify him to serve on the Board of Taxation Review for the 1st Taxation District. Your Committee notes that Mr. Yee is a certified public accountant and a tax partner at KMH Accounting, LLP, a prominent Honolulu accounting firm. Mr. Yee has a bachelor's degree in business administration from the University of Washington, a law degree from the Santa Clara University School of Law, and more than twenty-five years of experience dealing with federal and Hawaii tax laws. Mr. Yee is also a past member of the Tax Review Commission. This nomination is for Mr. Yee's second term on the Board of Taxation Review and his continued service on the Board would benefit Hawaii's taxpayers and the tax 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, 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, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 3215 Ways and Means on Gov. Msg. No. 424**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 3RD TAXATION DISTRICT (HAWAII)

G.M. No. 424 MICHAEL CHANG, for a term to expire 6-30-2014

Your Committee received testimony in support of the nomination of Michael Chang from the Department of Taxation. A resume was submitted by the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony and other information received, your Committee finds that the nominee's prior service on the Board of Taxation Review, his experience as a financial advisor, and his strong commitment to community service qualifies him to serve on the Board of Taxation Review, 3rd District. Your Committee notes that Mr. Chang received a bachelor's degree in economics, with an emphasis in accounting, from the University of Redlands and a Masters in Business Administration from the University of Hawaii at Manoa. Currently, Mr. Chang is a financial advisor. He has a strong accounting background with a deep understanding of finance and investment. Mr. Chang has served one term on the Board of Taxation Review. Based upon the fair and impartial manner in which he conducts hearings and renders rulings and decisions, your Committee finds that Mr. Chang's continued service on the Board of Taxation Review would benefit Hawaii's taxpayers and the tax 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, 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, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 3216 Ways and Means on Gov. Msg. No. 455**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 455 MICHELE A. KATO, for a term to expire 6-30-2014

Your Committee received testimony in support of Michele A. Kato from the Department of Taxation, Chair of the Board of Taxation Review, 2nd Taxation District (Maui), and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's many years of experience in the area of tax and accounting, activity in the Maui tax community and in professional organizations, and support from her peers qualify her to serve on the Board of Taxation Review for the 2nd Taxation District. Your Committee notes that Ms. Kato received a Bachelors of Business Administration degree from the University of Hawaii at Manoa with a major in Accounting. Ms. Kato is a certified public accountant and currently the owner of the firm Michele A. Kato & Co., LLC. She has twenty-six years of experience in the area of tax and accounting, including prior service with the firms of Hirose, Kato, & Co., LLP and Makiya & Sakai, CPAs. Ms. Kato is a member of professional organizations that include the American Institute of Certified Public Accountants, the Hawaii Society of Certified Public Accountants,

and the Hawaii Association of Public Accountants. Your Committee believes that the nominee's strong integrity and the quality of her work, as noted by several of her supporters, would benefit the Board of Taxation Review, as well as Hawaii taxpayers and the tax 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, 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, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 3217 Ways and Means on Gov. Msg. No. 456**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 456 FAYE M. MURAYAMA, for a term to expire 6-30-2012

Your Committee received testimony in support of the nomination of Faye M. Murayama from the Department of Taxation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's accounting experience and commitment to community service qualify her to serve on the Board of Taxation Review for the 2nd Taxation District. Your Committee notes that Faye M. Murayama is a certified public accountant and sole proprietor of Faye Murayama, CPA, Inc., an accounting firm. Prior to starting her own accounting practice, Ms. Murayama worked for the accounting firm Deloitte and Touche and has several years of experience in the area of tax law and accounting. Ms. Murayama possesses a bachelors degree from San Francisco State University. She is a member of the Hawaii Association of Public Accountants and has been active in community service as past treasurer of the Maui Junior Golf Association and the Seabury Hall Parents Association. Your Committee further notes that Ms. Murayama was invited to apply for a position on the Board of Taxation Review by the Maui District office and believes that she would be an honest, independent, and knowledgeable member of the Board.

As 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, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 3218 Ways and Means on Gov. Msg. No. 457**

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 457 MICHAEL T. MCENERNEY, for a term to expire 6-30-2012

Your Committee received testimony in support of the nomination of Michael T. McEnerney from the Department of Taxation, the Hawaii Association of Public Accountants, and six individuals. A personal statement and resume were submitted by the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony and other information received, your Committee finds that the nominee's experience in accounting, business administration and state and federal tax law as a practitioner and as an educator; his professional memberships in numerous accounting, valuation, and law organizations; and the strong support from a number of his professional peers qualify him to serve on the Tax Review Commission. Your Committee notes that Mr. McEnerney has a bachelors of science in accounting and business administration from Wisconsin State University-Platteville, a masters of business administration degree from the University of Hawaii, and a law degree from Northwestern University School of Law. He is also an accredited senior appraiser, has served as an expert witness consulting in valuation matters, and is recognized as a family law tax and valuation expert in Hawaii. Mr. McEnerney has extensive tax and accounting experience as a tax professional and as a tax and business course instructor. Your Committee believes that Mr. McEnerney would be an effective and competent member of the 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, 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, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 3219 Ways and Means on Gov. Msg. No. 458**

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 458 GREGG M. TAKETA, for a term to expire 6-30-2012

Your Committee received testimony in support of the nomination of Gregg M. Taketa from the Department of Taxation, the Hawaii Association of Public Accountants, and Niwao & Roberts, Certified Public Accountants. A personal statement and resume were submitted by the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony and other information received, your Committee finds that the nominee's many years of tax and accounting experience, his record of community service, and the support and recognition of his peers qualify him to serve on the Tax Review Commission. Your Committee notes that in 1983, Mr. Taketa was a founding member of the tax, accounting, and business consulting firm of Taketa, Iwata, Hara & Associates, LLC. He is a Certified Public Accountant and a Certified Valuation Analyst. Mr. Taketa has extensive experience in tax, accounting, and general business consulting services and has developed a broad base of professional experience serving small businesses, local governments, and non-profit organizations over the past thirty-three years.

Mr. Taketa has served extensively with the Hawaii Association of Public Accountants and other professional organizations that include the American Institute of Certified Public Accounts, Association of Government Accountants, Hawaii Society of Certified Public Accountants, National Association of Certified Valuation Analysts, and National Society of Accountants. Mr. Taketa also has a proven track record of community service, as a member of the Hawaii Island Chamber of Commerce, the Kanoelehua Industrial Area Association, and the University of Hawaii at Hilo College of Business and Economics Business Leaders Advisory Board. Mr. Taketa's expressed eagerness to contribute to the work of the Tax Review Commission would benefit Hawaii's taxpayers and all parties in the tax 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, 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, 9. Noes, none. Excused, 3 (Fukunaga, Hee, Hemmings).

**SCRep. 3220 Education and Housing on H.C.R. No. 167**

The purpose of this measure is to request the Board of Education to adopt a policy for the integration of a Pedagogy of Aloha in public schools for improved learning in the twenty-first century.

Testimony in support of this measure was submitted by one state agency and eight individuals. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the incorporation of a Pedagogy of Aloha into public schools has already proven to be effective in schools such as Kanu o ka Aina New Century Public Charter School and may improve the learning environment for many of Hawaii's other public schools.

In response to concerns expressed by the Board of Education, your Committee recommends that the Board of Education work in collaboration with the Department of Education to perform a review of existing curriculum prior to considering any policy to integrate a Pedagogy of Aloha into public schools.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hemmings, Tsutsui).

**SCRep. 3221 Energy and Environment on H.C.R. No. 235**

The purpose of this measure is to support the phase out of production and importation of decabromodiphenyl ether (decaBDE) and all other polybrominated diphenyl ethers (PBDE).

Testimony in support of the measure was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In 2008, the Department of Health prepared a report to the Legislature on the negative environmental and health impacts of decaBDE. These flame retardants have been used in electronics, wire and cable insulation, textiles, automobiles, trains, airplanes, and other devices where the risk of fire is great. Use of decaBDE and PBDE in such products has saved millions of lives, however, when these ethers burn, they emit other chemicals into the air that may cause cancer. Today, there are reasonable alternatives to the use of decaBDE and PBDE. Your Committee finds that the United States Environmental Protection Agency and industry leaders have taken great strides to reduce our citizens exposure to decaBDE and PBDE and your Committee supports future efforts to eliminate the use of these ethers.

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. 235, H.D. 2, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hemmings, Ihara, Kokubun).

**SCRep. 3222 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.C.R. No. 216**

The purpose of this measure is to express support for Hawaii to pursue the bid to host the 2016 International Union for Conservation of Nature (IUCN) World Conservation Congress.

Testimony in support of the measure was submitted by two state agencies and three organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The IUCN is the world's oldest and largest global environmental network, with more than one thousand government and non-government organization members. The IUCN helps the world find pragmatic solutions to our most pressing environment and

development challenges and supports scientific research, manages field projects all over the world, and brings together governments, non-government organizations, United Nations agencies, companies, and local communities to develop and implement policy, laws, and best practices. The World Conservation Congress is the general assembly of the IUCN members and meets every four years. Your Committees find that Hawaii is ideally poised to host the 2016 World Conservation Congress, as its geographic location serves as a bridge from the West to Oceania and Asia. A typical World Conservation Congress lasts two weeks and attracts approximately eight thousand delegates from around the world, and Honolulu has the capability and facilities required to host this international event.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 216, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 5 (Espero, Ihara, Hemmings, Kokubun, Slom).

**SCRep. 3223 (Joint) Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations on H.C.R. No. 289**

The purpose of this measure is to request state public entities to commit to healthier and more nutritious meals in their programs by spending more of their food dollars for locally-produced produce or other Hawaii agricultural products.

Testimony in support of this measure was submitted by one county councilmember and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Hawaii residents spend an estimated \$3,700,000,000 annually on food, with approximately eighty-five per cent of that money being spent on imported food. Replacing just ten per cent of these imported foods with locally-produced food would keep approximately \$313,000,000 in the local economy. This measure would enable the Department of Education, and other state entities, to use the procurement process to obtain local produce from Hawaii farmers to use in our public entities' food services. Several public school cafeteria managers successfully serve healthy and nutritious lunches using local produce, and have reported a reduction in waste which reduces costs. Similar efforts in other states have yielded similar results. Your Committee finds that using locally produced food also promotes environmental stewardship, reduces the risk of invasive species, and preserves open spaces.

Due to legislative deadlines, your Committee was not able to amend the resolution to insert that ten per cent of state public entities' food dollars should be spent on locally-produced produce or other Hawaii agricultural products. Your Committee strongly urges that the University of Hawaii, the Department of Education, the Hawaii Health Systems Corporation, and other state public entities set the goal of spending ten per cent of their food budgets for local foods.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 289, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Hemmings, Slom, Takamine, Tokuda).

**SCRep. 3224 Economic Development and Technology on Gov. Msg. No. 435**

Recommending that the Senate advise and consent to the nomination of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 435 CLIFFORD P. KAPONO, for a term to expire 6-30-2014

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Clifford P. Kapono to have the necessary qualifications to be appointed to the State Foundation on Culture and the Arts Commission.

Testimony in support of Clifford P. Kapono was submitted by the Department of Accounting and General Services and five individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Clifford P. Kapono is the Chief Executive Officer of Yellow Bus Consulting and a senior consultant with KAI Business Management Consultants. Prior to this, he was Vice President, South Pacific, of Motorola C&E and has thirty-five years of business experience. Mr. Kapono is a graduate of San Francisco State University with a B.A. in World Business, and holds a Master's degree in Minority Economic Development from the Tuck School of Business at Dartmouth College and a Master's degree in Education from the University of Hawai'i at Hilo School of Education. He is active in professional and community organizations and is a 2009 Media Award Recipient of the Historic Hawai'i Foundation. Mr. Kapono is a new appointment to the State Foundation on Culture and the Arts Commission.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology 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. 3225 Higher Education on Gov. Msg. No. 377**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 377 MATTHEW R. WILLIAMS, for a term to expire 6-30-2012

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds that Matthew R. Williams has the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Testimony in support of the nominee was submitted by the University of Hawaii System Office of the Vice President of Student Affairs, University of Hawaii at Manoa School of Nursing and Dental Hygiene, Kahi Mohala Behavioral Health, and six individuals. Testimony in opposition to the nomination was submitted by the Women's Caucus of the Democratic Party of Hawaii. Comments were submitted by the Hawaii Women's Political Caucus and the University of Hawaii Professional Assembly. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Williams is pursuing a Master of Science in Nursing and Master of Business Administration at the University of Hawaii and is an Advanced Cardiac Life Support Provider at The Queen's Medical Center. He previously earned a Bachelor of Arts in Psychology from The Ohio State University.

Mr. Williams is presently a Charge Nurse at Kahi Mohala Behavioral Health. His previous professional experience includes being an Emergency Medical Technician with the City and County of Honolulu Department of Emergency Medical Services, and an Emergency Department Technician and Intensive Care Technician with the Virginia Beach General Hospital Emergency Department.

Mr. Williams is a member of the Department of Health's Hawaii Medical Reserve Corps and the Hawaii Civil Defense Community Emergency Response Team and a Disaster Volunteer with the American Red Cross, Hawaii State Chapter. In addition to using his medical skills and experience to serve the local community, he also dedicates his time and effort to serving the University of Hawaii community. For the past two years, he has represented the School of Nursing and Dental Hygiene on the Graduate Student Organization (GSO) and has represented the GSO on the Executive Council of the University of Hawaii Student Caucus, serving as its Treasurer, previously, and Vice Chairperson, presently. Mr. Williams is also the GSO Judicial Affairs Representative for the Academic Grievance Committee of the GSO and has previously served as a volunteer on the University of Hawaii Buildings and Grounds Award Committee and Willard Wilson Award Committee. His service and experience with these various organizations provide him with valuable insights into the needs of students at the University of Hawaii and priority areas of improvement for the University.

Mr. Williams has visited all ten University of Hawaii System campuses and has interacted with students, staff, and faculty from the various campuses to obtain their input on their concerns and ideas relating to the University. He believes that improving partnerships with K-12 education providers will better prepare students for study within the University of Hawaii System. He also prioritizes the expansion of workforce development initiatives to individuals who could potentially fill critical shortage areas in the State and on meeting capital improvement needs of the University.

Your Committee finds that Mr. Williams' business knowledge will be helpful as he explores private partnerships to help the University generate revenue and his service on various committees and organizations of the University have provided him with a well-informed sense of the University's operations, plans and goals, and challenges. Your Committee further finds that Mr. Williams possesses strong initiative and a sincere desire to positively impact the community by enhancing educational opportunities in the State, and that he would be an outstanding advocate for students on the Board of Regents.

As affirmed by the record of votes of the members of your Committee on Higher 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 (Sakamoto, Taniguchi).

**SCRep. 3226 Higher Education on Gov. Msg. No. 378**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII**

G.M. No. 378 CHUCK Y. GEE, for a term to expire 6-30-2015

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds that Chuck Y. Gee has the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Testimony in support of the nominee was submitted by the University of Hawaii Professional Assembly and fourteen individuals. Testimony in opposition to the nomination was submitted by the Women's Caucus of the Democratic Party of Hawaii. Comments were submitted by the Hawaii Women's Political Caucus. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Gee earned a Master of Arts degree from Michigan State University, a Bachelor's degree from the University of Denver, Associate's degree from City College of San Francisco, and Degree of Professional Studies from the University of Denver. Mr. Gee is an International Tourism Advisor/Consultant, Human Resource Development/Training Consultant, and Textbook Writer, and he has a hotel company investment startup.

Mr. Gee is a prominent administrator and educator of travel and tourism management. He served as Dean of the University of Hawaii School of Travel Industry Management, Interim Dean of the University of Hawaii at Manoa Shidler College of Business, Associate Dean/Professor of the University of Hawaii School of Travel Industry Management, Tourism Training Consultant for the East-West Center Institute for Technical Interchange, and Associate Director of the University of Denver's School of Human Resources Management.



Mr. Gee has volunteered his time and efforts to serve on several state and national governmental advisory organizations. He served three terms on the United States Department of Commerce's Travel and Tourism Advisory Board and has served as a member or chairperson of strategic planning committees under several City and County of Honolulu mayors. Although Mr. Gee is a member of the Board of Directors of the Hong Kong-China-Hawaii Chamber of Commerce and Pacific Asia Travel Association, Hawaii Chapter, his service extends beyond the travel and tourism industry, as he also serves as a member of the Board of Directors of the Kuakini Health System and Executive Committee of the Board of Directors of Kuakini Medical Center.

Mr. Gee's service and expertise have not gone unnoticed; he has received numerous honors, largely for his work in the travel industry. These honors include the Grand Award for Individual Educational Accomplishment and the Life Member Award from the Pacific Asia Travel Association, Emeritus Golden Key Honorary recognition from the International Academy for the Study of Tourism, Travel Industry Hall of Leaders Award from the Travel Industry of America, Award of Excellence for Tourism Education from the National Tourism Administration of the People's Republic of China, and the Governor's Award for Hawaii State Manager of the Year. He was also recently recognized by the Honolulu Star-Bulletin as one of the "100 Who Made a Difference" in the State of Hawaii during the twentieth century.

Mr. Gee is a current member of the Board of Regents of the University of Hawaii. His experiences as dean of various schools within the University, combined with his active participation in tourism-related associations outside of the University, give him a unique perspective on the needs of the State that the University is capable to fill presently or in the future.

During this difficult economic climate, Mr. Gee identifies financial stability, revenue growth, and the pursuit of economic opportunities for the community and State as priorities for the Board of Regents. Your Committee finds that Mr. Gee has already been instrumental to the Board of Regents' efforts to pursue revenue generating options while keeping Hawaii residents' needs in consideration, and his international reputation is helpful in bolstering the University's reputation as a global university. Your Committee further finds that Mr. Gee possesses the experience, knowledge, and insights to make prudent decisions that are in the best interests of the University community and the State.

As affirmed by the record of votes of the members of your Committee on Higher 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 (Sakamoto, Taniguchi).

**SCRep. 3227 (Majority) Higher Education on Gov. Msg. No. 379**

Recommending that the Senate not advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 379 RONALD D. MONTGOMERY, for a term to expire 6-30-2015

Testimony in support of the nominee was provided by seven individuals. The Women's Caucus of the Democratic Party of Hawaii provided testimony in opposition to the nomination. The Hawaii Women's Political Caucus and the University of Hawaii Professional Assembly provided comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Montgomery earned a Master of Science in Forestry/Wildlife Management from Stephen F. Austin State University and a Bachelor of Arts in Zoology from the University of California, Los Angeles. He is currently an Instructor at the University of Phoenix and has over seven years of teaching experience at various levels. Mr. Montgomery has also worked previously as Director of Marketing at Silicon Graphics in California and Director of Operations at Villa Montage Systems in California.

Mr. Montgomery has served as Co-Chair of People United in Support of Superior Healthcare, Vice-President of the Board of Directors of the Kula Community Association and Chair of its Water and Sustainability Committee, and Co-Founder of Upcountry Sustainability and Chair of its Renewable Energy Committee.

Your Committee finds that a position on the Board of Regents of the University of Hawaii is an important and high-profile office. Regents make critical decisions that guide the direction of the University of Hawaii System and are sometimes provided opportunities to comment publicly regarding decisions made by the Board. Pursuant to section 304A-104.5, Hawaii Revised Statutes, the Regents Candidate Advisory Council has developed a description of the responsibilities and duties of members of the Board of Regents. These responsibilities and duties include:

- (1) Strategic planning;
- (2) Policymaking to guide the University of Hawaii System;
- (3) Fiduciary oversight;
- (4) Serving as ambassadors to the community;
- (5) Protecting the University of Hawaii System from undue influence;
- (6) Setting an example of integrity, inquiry, and service;
- (7) Considering community interests; and
- (8) Acting as a unit.

Your Committee has reviewed the background information and testimony submitted and finds that Mr. Montgomery is a skilled manager and teacher who has contributed to the Maui community, especially in the area of environmental sustainability. However,

your Committee has serious concerns about whether Mr. Montgomery is the best nominee to fulfill the responsibilities and duties of a Regent. Your Committee's concerns are further specified below.

#### CREDIBILITY AND TRUSTWORTHINESS

Your Committee is troubled by an incident involving Mr. Montgomery's representation of an exchange between himself and the current Chair of the Board of Regents. As the details of the exchange came to light, it appears to your Committee that Mr. Montgomery may have misrepresented this exchange as an endorsement by the Chair of Mr. Montgomery's nomination despite the fact that the Chair has indicated that he made no such endorsement.

In addition, Mr. Montgomery represented that following his testimony before your Committee, the Chair told him that he was "pleased" with the nominee's responses. The Chair has indicated that he made no such statement.

There can be no doubt that the credibility of Regents and the reliability of their statements are matters of grave concern, both as to public perception of the Board of Regents and relations between the Regents themselves. Having a nominee misstate the content and meaning of conversations in order to support his own nomination is troubling.

Your Committee finds that these incidents cast a shadow of doubt as to Mr. Montgomery's credibility and trustworthiness, which are essential to acting with transparency and integrity and developing a positive climate for collaboration and debate amongst Regents.

#### TEMPERAMENT AND CONDUCT

Your Committee finds that Mr. Montgomery has not displayed the measure of professionalism, maturity, and restraint becoming a Regent. The Board of Regents acts as a unit; although there is a proper time, place, and avenue for expressing opinions and disagreement, Regents should support the decisions of the Board once a decision is made.

When Mr. Montgomery had an opportunity to exhibit proper temperament and positive leadership in the midst of intense community discussions regarding the Malulani Hospital, a proposed private health care facility on Maui, he chose instead to resort to divisive comments that did nothing to help resolve the conflict.

Mr. Montgomery has himself admitted that his comments "can be sarcastic," and that he tends to "irritate people." The question remains why, recognizing the effect of his comments, he was unable to restrain himself and act in a more respectful and productive way.

While Mr. Montgomery has the right to speak his mind, he has demonstrated no appreciation for the fact that leadership requires that he exercise that right in an appropriate and productive manner. Publicly and among themselves, Regents should be expected to conduct themselves with a sense of respect and decorum. Mr. Montgomery has shown neither.

While Mr. Montgomery has testified that he would refrain from similar behavior if appointed as a Regent, given your Committee's aforementioned concerns about his credibility, your Committee is not adequately assured that Mr. Montgomery's manner of expressing his opinions as a private citizen would be significantly different from his conduct as a Regent.

Your Committee cannot recommend with full confidence a nominee who, based on previous conduct, may cause disruption and divisiveness among the body that acts as a unit to make critical decisions that affect the entire University of Hawaii System and much of the State.

#### POTENTIAL OR PERCEIVED CONFLICT OF INTEREST

Your Committee also finds that Mr. Montgomery's employment with the University of Phoenix, a competing institution of higher education to the University of Hawaii, poses a potential or perceived conflict of interest. As outlined in the responsibilities and duties of the Board of Regents, a Regent is involved in strategic planning, policymaking, fiduciary oversight, and protection from undue influence of the University of Hawaii System. Actions taken by the University of Hawaii regarding tuition rates, enrollment qualifications, and programs can affect its competitive stance with regard to private colleges within the State, including the University of Phoenix.

As a Regent of the University of Hawaii, Mr. Montgomery would be required to adhere to the same requirements and duties that are applicable to directors and officers of corporations; he would be expected to act in good faith and in the best interests of the University at all times.

The University of Hawaii and the University of Phoenix are competitors in the field of higher education. Their program offerings overlap, and each would benefit from attracting students from the same pool of applicants. In short, Mr. Montgomery, acting as a Regent, would make decisions that may directly impact his employer. The nominee has given no indication of how he expects to address this potential conflict, or how he can offer the University of Hawaii the highest level of loyalty while serving two competing entities.

Your Committee feels that regardless of whether actual conflicts of interest would exist, the mere perception of a conflict of interest may generate questions about the impartiality of decisions made by the Board of Regents. One may argue that nearly every decision that Mr. Montgomery would make as a Regent could be perceived as a conflict of interest, given his association with the University of Phoenix. Furthermore, if Mr. Montgomery were to recuse himself from participation in proceedings that may generate a conflict of interest, your Committee is concerned to what extent he would then be able to effectively perform his responsibilities and duties as a Regent.

#### COMMUNITY INTERESTS

Finally, your Committee has concerns about Mr. Montgomery's ability to consider a wide variety of community interests and needs when formulating policies, such as revenue generation methods for the University of Hawaii. His responses to questions posed by your Committee propose significant tuition rate increases and major changes to the structure of the University of Hawaii System as options to be considered. Your Committee finds that while innovation and creative solutions to problems are generally positive, Mr.

Montgomery's responses do not also reflect sensitivity to the negative impact on accessibility that those options may have on those who cannot afford increased tuition rates and therefore may not be able to pursue higher education within the State.

Your Committee finds that a Regent's duties to serve as an ambassador to the community and consider the community's interests rely in part upon an accurate understanding of the needs of the community. Your Committee further finds that Mr. Montgomery has not demonstrated a sufficient level of understanding and consideration of important community needs.

As affirmed by the record of votes of the members of your Committee on Higher Education 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, 4. Noes, 1 (Slom). Excused, 2 (Sakamoto, Taniguchi).

**SCRep. 3228 Human Services on H.C.R. No. 262**

The purpose of this measure is to address the ongoing problem of homeless individuals and families on the Waianae Coast by establishing a task force to work collaboratively with multiple concerned groups to develop a comprehensive plan.

Testimony in support of this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that despite the emergency and transition shelters already in place on the Leeward Coast of Oahu as well as affordable housing developments being currently built, there is still a pervasive problem of homeless families and individuals living on beaches and in parks. There are also many people at-risk of becoming homeless and those in need of services and assistance. Your Committee finds that it is important to continue to address the problem and to ensure that the work that was done to abate homelessness is not squandered. Your Committee further finds that testimony submitted regarding allowing a representative from the homeless population to be a member of the task force has merit and that homeless representatives would bring a fresh perspective to the group. Your Committee further finds that there should be an active invitation by the task force and encouragement to homeless families and individuals to participate in the development of solutions to the homeless problem on the Waianae Coast.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 262, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3229 Public Safety and Military Affairs on H.C.R. No. 123**

The purpose of this measure is to recognize aerospace as a strategic and timely growth industry for Hawaii, and to request the state administration to take proactive, coordinated, and sustained action to fully realize the significant scientific, educational, and commercial benefits the aerospace industry can bring to the State.

Your Committee received testimony in support of this measure from one state department, two local state universities, one military auxiliary organization, sixteen private entities, and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Historically, Hawaii has played a seminal role in developing the nation's space program, beginning with astronaut training for the Apollo lunar missions and the development of world-class observatories on the Big Island, and leading to a variety of nationally-funded programs in planetary geosciences, satellite communications, space-based remote sensing and environmental monitoring, deep-space surveillance, and other aerospace-related activities sponsored by the University of Hawaii, the U.S. military, and numerous companies statewide.

Hawaii's strategic assets include its unique mid-Pacific location, moon- and Mars-like terrain, resident expertise covering a broad range of aerospace-related technologies, and long-standing ties with space-faring nations throughout the Asia-Pacific region. Hawaii affords strategic assets and capabilities that can be leveraged to help realize humankind's full potential in space, and in so doing engage our State as a major contributor to and beneficiary of the global space enterprise.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Kidani).

**SCRep. 3230 Public Safety and Military Affairs on H.C.R. No. 139**

The purpose of this measure is to request the Department of Accounting and General Services to work with representatives, or their designees, from the Hawaii Law Enforcement Memorial Foundation, the county police departments, the Department of Public Safety, the United States Marshals Service, the State of Hawaii Organization of Police Officers, the Concerns of Police Survivors, Inc., the Chairperson of the House of Representatives Committee on Public Safety, and the Chairperson of the Senate Committee on Public Safety and Military Affairs to plan and construct the Hawaii State Law Enforcement Memorial to be located on the grounds of the Hawaii State Capitol.

Your Committee received testimony in support of this measure from one state department, one county department, two private entities, and five individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure also requests the Department of Accounting and General Services to coordinate and consider constructing the Memorial on the Diamond Head side of the State Capitol, maintain the Memorial, and submit a report on its plans, including findings,

recommendations, projected costs, and any implementing legislation, to the Legislature no later than twenty days before the convening of the Regular Session of 2011.

Fifty law enforcement officers have lost their lives in the line of duty in Hawaii according to the National Law Enforcement Officers Memorial Fund. Several states have erected memorials honoring local law enforcement personnel who have died in the line of duty, including California, Oregon, Florida, Michigan, Oklahoma, Missouri, and Kentucky, to name a few. With the construction of a Hawaii State Law Enforcement Memorial, the Legislature, along with the families of fallen officers, will forever honor their service, which was selflessly given to the people of Hawaii.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 139, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Kidani).

**SCRep. 3231 Public Safety and Military Affairs on H.C.R. No. 187**

The purpose of this measure is to request the Hawaii Paroling Authority to establish a two-year pilot project similar to the Judiciary's probation modification project, Hawaii's Opportunity Probation with Enforcement, or HOPE.

Your Committee received testimony in support of this measure from two private entities and two individuals. Testimony in opposition was received from one state department. Comments were received from one state branch of government. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In 2004, the Circuit Court of the First Circuit launched a probation modification project, also known as Hawaii's Opportunity Probation with Enforcement, or HOPE. In a one-year, randomized controlled trial comparing HOPE probationers to probationers in a control group, HOPE probationers were fifty-five per cent less likely to be arrested for a new crime, seventy-two per cent less likely to use drugs, sixty-one per cent less likely to skip appointments with their supervisory officer, and fifty-three per cent less likely to have their probation revoked. As a result of their improved progress, the HOPE probationers involved in the controlled trial served or were sentenced to, on average, forty-eight per cent fewer days of incarceration than probationers in the control group. This measure is an effort to establish a comparable HOPE program to the parole system.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 187, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Kidani).

**SCRep. 3232 Public Safety and Military Affairs on H.C.R. No. 223**

The purpose of this measure is to request the Legislative Reference Bureau, with the cooperation, support, and assistance of the Department of Defense, specifically the Civil Defense Division, to conduct a study on the feasibility of using Lualualei Naval Road as an evacuation route in the event of an emergency or natural disaster on the leeward coast of Oahu.

Your Committee received testimony in support of this measure from two individuals. Comments were received from one legislative agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The sole public passage out of the leeward coast area to other parts of Oahu in the event of any disaster requiring the evacuation of the leeward coast is Farrington Highway, which has been closed numerous times in recent years because of accidents, severe weather, and other emergency conditions. In the event of a disaster requiring the evacuation of the leeward coast during a closure of Farrington Highway, tens of thousands of civilian lives will be placed in harm's way. This measure calls for a study of the logistical challenges, jurisdictional issues, conditions necessitated by contractual agreements between the State and the United States Army and Navy, and other issues that need to be addressed in evaluating the feasibility of using Lualualei Naval Road as an emergency evacuation route for civilians from the leeward coast of Oahu.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 223, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Kidani).

**SCRep. 3233 (Joint) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on H.C.R. No. 175**

The purpose of this measure is to urge the United States Congress to designate the Honor and Remember Flag as a national symbol of our nation's concern and commitment to honoring and remembering the lives of all members of the United States Armed Forces who have lost their lives in the line of duty.

Your Committees received testimony in support of this measure from one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure is fitting and proper to recognize the men and women of our country who have gone to war to fight for and to protect our freedoms, as well as to combat tyranny and oppression of peoples throughout the world.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 175, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (Bunda, Hemmings, Kidani, Slom).

**SCRep. 3234 Ways and Means on H.B. No. 2094**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawaii Pacific Health with the acquisition or construction of health care facilities.

Your Committee finds that Hawaii Pacific Health is a nonprofit health care system and the largest health care provider in the State. Your Committee also finds that Hawaii Pacific Health will use the added capital provided by the special purpose revenue bonds authorized by this measure to refinance an existing bank loan issued to refund tax-exempt bonds to finance renovation of its hospital facilities and purchase medical equipment.

The written comments may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2094, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 3235 Transportation, International and Intergovernmental Affairs on H.C.R. No. 86**

The purpose of this measure is to urge the County of Kaua'i to design and construct a new Lawa'i Beach Road that restores the natural flow of water from the historic fishpond to the shoreline while maintaining appropriate access for park visitors.

Your Committee received testimony in support of this measure from the Royal Order of Kamehameha I, Chapter 3; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Prince Kuhio Park in Koloa on the island of Kaua'i is an historical and cultural treasure, preserving the foundation of Prince Kuhio's royal home and fishpond, as well as the Ho'ai Heiau. The County of Kaua'i constructed Lawa'i Beach Road through the park after Hurricane Iwa. The current path of Lawa'i Beach Road essentially restricts water flow from the historic fishpond to the ocean, resulting in compromised water quality. It is imperative to the integrity of this historic place that the natural flow of water be restored and preserved.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 3236 Transportation, International and Intergovernmental Affairs on H.C.R. No. 174**

The purpose of this measure is to urge President Barack Obama to select a location in Hawaii as the site of his presidential library.

Your Committee received testimony in support of this measure from the University of Hawaii at Manoa, and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Barack Obama, the forty-fourth President of the United States, was born and raised in Hawaii. It is a matter of great state pride that President Obama is the first Hawaii-born citizen to hold that high office. A presidential library in Hawaii would provide the people of Hawaii with access to the documents and artifacts of the Obama administration and a significant piece of our nation's history.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 3237 Transportation, International and Intergovernmental Affairs on H.C.R. No. 282**

The purpose of this measure is to request that the U.S. Congress propose and send to the states for ratification a constitutional amendment to clarify the distinction between the rights of natural persons and the rights of corporations, thereby preserving the power of Congress and the states to place limits on the ability of corporations to influence the outcome of elections through political expenditures.

Your Committee received testimony in support of this measure from the Democratic Party of Hawaii, Common Cause Hawaii, and The League of Women Voters of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Legislature has grave concerns regarding the implications of the United States Supreme Court's decision in its five to four ruling in *Citizens United v. Federal Elections Commission*. This decision threatens to invalidate the legislative deliberations of Congress and the states to restrict the influence of corporate power on the political system. A ruling by the United States Supreme Court cannot be overturned by legislation; however, Congress can propose and send to the states for ratification a constitutional amendment to clarify the distinction between natural persons and the rights of corporations to remedy the situation.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 282, H.D. 1, and recommends its adoption.



Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Slom).

**SCRep. 3238 Human Services on H.C.R. No. 199**

The purpose of this measure is to streamline and standardize the process by which the Department of Human Services (DHS) procures services and enters into contracts with service providers regarding future QUEST contracts by requesting that DHS consider certain factors before entering into contracts.

Testimony in support of this measure was submitted by the Hawaii Medical Service Association. Testimony in opposition to this measure was submitted by DHS and the Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee notes that concerns have been raised regarding the QUEST managed care health program. Your Committee recognizes that administration of a program of this size and magnitude is challenging. However, due to the current economic downturn, inefficiencies and waste can escalate and developing ways to streamline large programs and to expend monies more wisely become critical. Your Committee also finds that the dialogue between health care providers, plans, and the State has been positive and productive. Your Committee believes that this dialogue should continue in order to benefit all the parties involved, including all citizens of the State of Hawaii.

Your Committee finds that while it is important to take steps towards reforming the QUEST program and procurement processes to encourage efficiency and provide better care to its participants, there are also valid concerns regarding the measure raised by DHS and the Hawaii Medical Association. DHS points out that, in order to implement co-payments as suggested by the measure, it would have to get approval through a Federal Section 1115 waiver amendment. This is a way for states to expand Medicare coverage with little or no cost to the government. States use the Section 1115 waiver to propose to the federal government an expansion of Medicare coverage in their states beyond the traditional categorical eligibility groups or programs. Because charging QUEST participants co-payments is not currently authorized for the State of Hawaii, a Section 1115 waiver must be submitted and approved by the federal government before a co-payment plan can be implemented. Your Committee recognizes that this indeed is a hurdle due to time constraints, but believes that the option should be explored and that it is appropriate for DHS to seek the waiver in April of 2011.

In addition, the Hawaii Medical Association also raised concerns regarding the implementation of cost sharing, stating in its testimony that although a study investigating the effects of cost sharing on patient health, the RAND Health Insurance Experiment, shows that participants' health was unaffected by sharing costs, the poorest and the sickest six per cent of the sample had better outcomes with a free health care program. Your Committee finds that if QUEST participants' health is adversely affected by having to submit a co-payment, this would be a valid consideration in the ongoing dialogue.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 199, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3239 (Joint) Public Safety and Military Affairs and Human Services on H.C.R. No. 162**

The purpose of this measure is to direct the Department of Public Safety to:

- (1) Make mandatory its existing program for preparing soon-to-be-released parents to deal with life issues, and enhance that program by including information and training to help them assume their parental responsibilities;
- (2) Inform parents being incarcerated that it is the parent's responsibility to contact the respective court in reference to child support obligations and to inform the court of the parent's inability to pay child support due to incarceration; and
- (3) Submit a report to the Legislature on the actions it has taken pursuant to this measure no later than twenty days before the convening of the 2011 Regular Session.

Your Committees received testimony in support of this measure from one State Representative. Testimony in opposition was received from one state department. Written testimony presented to the Committees may be reviewed on the Legislature's website.

As a result of the work of the Joint Legislative Committee on Family Caregiving, Act 11, Special Session Law of Hawaii 2008, established a Grandparents Raising Grandchildren Task Force to assess and report on the needs and issues of grandparents raising grandchildren. The final report generated by the Grandparents Raising Grandchildren Task Force found that children with an incarcerated parent often have problems related to the incarceration. Moreover, in addition to the reintegration difficulties faced by most incarcerated persons upon release, incarcerated parents often have difficulty assuming their parental responsibilities and reconnecting not only with their children, but with family members and others who have been providing care to their children. The Task Force also found that incarcerated parents do not understand their rights and responsibilities regarding child support payments, including their responsibility to inform the court of their incarceration and corresponding inability to pay child support.

Your Committees find that despite the economic climate that has resulted in a reduction of services by the Department of Public Safety, parents still require education and information upon intake and release. Accordingly, the provision of education and information, as requested by this measure, will clearly improve outcomes for all.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 162, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Bunda, English, Ihara).

**SCRep. 3240 Human Services on H.C.R. No. 13**

The purpose of this measure is to extend the deadline for the Home for Life Task Force to report on its findings and recommendations for reducing barriers to aging in place and facilitating multigenerational living.

Testimony in support of this measure was submitted by the Disability and Communication Access Board, the Kokua Council, and the Hawaii Chapter of the American Physical Therapy Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Home for Life Task force was created to perform the important function of coordinating and researching ways to reduce barriers to aging in place and multigenerational or accessible living. The intent in creating the Task Force was to allow our kupuna to age in place to the greatest extent possible and to spend quality time with their families in their golden years. This measure will also benefit persons with disabilities who face similar barriers as they strive to "live in place." It is important to the people of Hawaii that all of these individuals be treated with respect and dignity, and the report from the Task Force will provide strategies for realizing this objective.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 13, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3241 Human Services on H.C.R. No. 19**

The purpose of this measure is to request the Department of Human Services (DHS) to create a database resource website to house real-time availability of all juvenile services.

Your Committee finds that many juveniles are being placed in facilities and programs that do not reflect the level of care that is required, and many times it is because there is a lack of communication between agencies or a lack of known options. Your Committee recognizes that placing juveniles in service programs is more difficult than placing adults because of the acute possibility that juveniles may be physically or emotionally harmed. Because juveniles are also still growing intellectually as people, they are still highly influenced by those around them, and both positive and negative influences can affect their lives greatly.

Your Committee also finds that inappropriate placement of juveniles can lead to developmental hardship and decreased recovery and rehabilitation efforts. The best way to address this issue is to allow those involved to be able to find appropriate levels of care with up-to-date availability and placement. This can be done through a real-time database website that will allow probation officers, judiciary, community agencies, social workers, families, and others to access the most viable program for the juvenile's unique needs.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3242 Human Services on H.C.R. No. 256**

The purpose of this measure is to request the Department of Human Services (DHS) to examine and evaluate allegations of shortcomings of programs for adults with special needs.

Your Committee recognizes that adults with special needs comprise a vulnerable population and require diligent care. It is also noted that DHS contracts with various agencies to provide services to this population, however, allegations of inadequacies and weaknesses in programs for adults with special needs have surfaced over the years. Your Committee realizes that the problems may exist on many different levels, including improper training, miscommunication among employees, different expectations of parties, and differing guidelines between contracted companies. There also may be a problem with pay scales not being commensurate with the employees' abilities. All such areas of concerns should be subject to inquiry.

Your Committee would like to stress that it is critical to thoroughly examine these allegations, as it is vital that this group of individuals is properly cared for in a safe and reasonable manner.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 256, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 3243 (Joint) Human Services and Health on H.C.R. No. 158**

The purpose of this measure is to urge the Department of Human Services (DHS), in consultation with the Department of Health (DOH), to develop a program to encourage breastfeeding among Medicaid recipients.

Your Committees acknowledge that breastfeeding has well-established health benefits, but it has previously not been considered as a cost-savings strategy. The U.S. Department of Agriculture's Economic Research Service estimates a minimum savings of \$3,600,000,000 in medical expenses each year if the number of children breastfed for at least six months increased from 43 per cent to 50 per cent. For every 1,000 babies who are not breastfed, there are 2,033 more medical office visits, 212 extra days of hospitalization, and 609 excess prescriptions. By simply breastfeeding, these numbers would be reduced and the expenses associated with them would be lower, as well.

Also, your Committees note that a staggering 41 per cent of births in the country are covered by Medicaid. Encouraging breastfeeding among these infants may lead to a possible increase in state budget savings. Statistics show that in 2006, young mothers

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under age twenty breastfed at a rate of 24 per cent while over 50 per cent of mothers over the age of thirty breastfed their children. In this fiscally challenging environment, it would be wise to seek additional ways to reduce health care costs.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 158, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Baker, Hemmings).