

## SPECIAL COMMITTEE REPORTS

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

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2011, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The newly elected Senators whose respective terms of office will expire on November 6, 2012, are:

Fourth Senatorial District

Shan S. Tsutsui

Seventh Senatorial District

Ronald D. Kouchi

Eighth Senatorial District

Sam Slom

Ninth Senatorial District

Les S. Ihara, Jr.

Tenth Senatorial District

Brian T. Taniguchi

Eleventh Senatorial District

Carol Fukunaga

Thirteenth Senatorial District

Suzanne N.J. Chun Oakland

Fourteenth Senatorial District

Donna Mercado Kim

Fifteenth Senatorial District

Glenn Wakai

Nineteenth Senatorial District

Mike Gabbard

Twentieth Senatorial District

Will Espero

Twenty-Second Senatorial District

Donovan Dela Cruz

Twenty-Fourth Senatorial District

Jill N. Tokuda

Twenty-Fifth Senatorial District

Pohai Ryan

Your Committee on Credentials further reports that it has received the following:

- (1) Governor's Message No. 501 and has examined the credentials of:
  - (A) The Honorable Malama Solomon and finds that she is fully qualified to fill the vacancy in the Senate, First District, created by the resignation of Senator Dwight Y. Takamine for the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2011, whose term of office will expire on November 6, 2012; and
  - (B) The Honorable Maile Shimabukuro and finds that she is fully qualified to fill the vacancy in the Senate, Twenty-First District, created by the resignation of Senator Colleen Hanabusa for the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2011, whose term of office will expire on November 6, 2012; and
- (2) Governor's Message No. 502 and has examined the credentials of the Honorable Gilbert Kahele and finds that he is fully qualified to fill the vacancy in the Senate, Second District, created by the resignation of Senator Russell S. Kokubun for the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2011, whose term of office will expire on November 6, 2012.

Signed by Senators Brickwood Galuteria, Michelle Kidani, and Sam Slom, on behalf of the Committee.

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

The purpose of this report is to set forth the findings of your Committee with respect to concerns regarding the operation, mismanagement, and fiscal irresponsibility of the Department of Taxation (DOTAX) in its contracts with CGI Technologies and Solutions, Inc. (CGI), and CGI's predecessor American Management Systems, Inc., to create and implement an Integrated Tax Information Management System (ITIMS) to assist DOTAX with administering and collecting State tax revenues.

**Report of the Senate Ways and Means Committee on Informational Briefings Concerning the Inadequacy of Management and Fiscal Irresponsibility at DOTAX in Operating Its Contracts with CGI****I. INTRODUCTION**

During the first half of 2010, the Senate Ways and Means Committee held two informational briefings and a hearing on the ITIMS contracts that DOTAX executed with CGI and its predecessor American Management Systems, Inc. The informational briefings and the hearing were aimed at addressing various concerns of the Legislature that relate to the overall failure of management and senior personnel at DOTAX to manage the CGI contracts in a professional and fiscally responsible manner.

Specifically, since the inception of ITIMS in 1999 the State has paid CGI over \$87,500,000 to create, enhance, improve, and upgrade ITIMS. The amount paid includes a Statement of Work 1 (SOW 1) sole source contract that is scheduled to run from 2008 to 2011. SOW 1 was executed for a cost of \$25,000,000 and enables DOTAX to collect delinquent taxes, integrate all tax revenues into one electronic system, and train DOTAX staff on how to operate ITIMS. However, in 2009 DOTAX modified the SOW 1 contract with CGI by executing a Statement of Work 2 (SOW 2) contract which modified the SOW 1 contract and also reduced the duties, requirements, and initiatives that CGI was obligated to deliver to the State under the SOW 1 contract. Unfortunately for the State of Hawaii, DOTAX failed to also negotiate a corresponding reduction in the \$25,000,000 SOW 1 contract price.

Furthermore, there have been numerous reports regarding poor cooperation between DOTAX and CGI in carrying out day-to-day operations. There also have been several incidents and remarks made that demonstrate a widespread lack of respect and professionalism between DOTAX staff and its management and the CGI consultants. Such tension existing between DOTAX employees and CGI consultants in the workplace has led to extensive operational inefficiencies and incompetence in implementing, delivering, and maintaining ITIMS; consequently, the usefulness of ITIMS for DOTAX has been compromised.

Based on an analysis and detailed review of the information, documents, and testimony received by your Committee in the informational briefings and hearing, your Committee Chair concludes that monetary appropriations given to DOTAX for ITIMS have not been wisely utilized by DOTAX. Furthermore, the management and senior personnel at DOTAX may not be properly suited to carrying out certain tax collection projects for the State.

**II. BACKGROUND**

At the time DOTAX executed the SOW 1 contract for \$25,000,000 with CGI in 2008, ITIMS was already technologically outdated and the system had regular reoccurring problems with its maintenance and longevity.

Following the original ITIMS contract executed in 1999, DOTAX was not obligated or required to contract with CGI on any of the subsequent contracts to enhance or modify ITIMS. However, including SOW 1 and SOW 2, DOTAX agreed to five additional contracts with CGI to improve or modify ITIMS. Those five subsequent contracts totaled over \$34,500,000. CGI was awarded the subsequent contract work for ITIMS because DOTAX failed to submit any of the proposed work out to bid. Submitting the work out to open competitive bidding would have likely allowed the State to receive a much more competitive price for the contracted work.

Aside from the overpriced contracts with CGI to improve or maintain ITIMS, the SOW 1 and SOW 2 contracts between CGI and DOTAX have resulted in CGI receiving additional revenue collections that were not anticipated due to DOTAX including a vague definition for the term "delinquent taxes."

Under the SOW 1 and SOW 2 contracts CGI was only required to provide 10 consultants to DOTAX for project oversight and guidance in implementing ITIMS. The staff of DOTAX was required to do the bulk of the legwork to administer, operate, and manage ITIMS.

The agreement reached by DOTAX and CGI under SOW 2 has reportedly led to much internal dissatisfaction and low employee morale at DOTAX. Your Committee has learned that the SOW 2 contract does not require CGI to complete agreed upon initiatives for DOTAX. This inability of DOTAX to provide feedback or input on substantive matters concerning ITIMS increases the likelihood that the ongoing delinquent tax collection project will not be optimal. The influence that CGI has on the day-to-day operations at DOTAX and its control over ITIMS has led to DOTAX management questioning their own staff's competence and left DOTAX employees fearful of the CGI consultants and senior personnel at DOTAX.

**III. FINDINGS OF THE SENATE WAYS AND MEANS COMMITTEE****Mismanagement and Operational Inefficiencies at DOTAX****A. Viability of ITIMS**

Your Committee Chair finds that senior personnel and management at DOTAX repeatedly ignored the warning signs that ITIMS was an outdated system even though it had regularly reoccurring problems with its operation or maintenance. The failure of DOTAX senior personnel and management to conclude that ITIMS was no longer a viable or financially feasible option for the State as recent as 2005 has resulted in the State paying CGI over \$34,500,000 under the SOW 1 and SOW 2 contracts, thus augmenting the problems experienced with ITIMS.

Robert Su, the Information Technology Chief at DOTAX, testified that ITIMS was built in 1999 with technology considered completely obsolete today. He stated that the system has "crashed" continuously from 2002 until May of 2009 when CGI was finally able to fix its operating problems. However, with DOTAX recently starting new tax collection and revenue projects, ITIMS has

developed new problems with its operations and maintenance. Mr. Su further stated that an improved tax collection and revenue system incorporating the use of easy web-based applications can be built with current technology.

#### **B. Delinquent Tax Collections**

Collecting delinquent taxes through ITIMS is the primary responsibility of DOTAX. However, under SOW 1 and SOW 2 contract modifications, CGI is required to receive one-third of all delinquent taxes collected and attributed to CGI's software program, which includes all future delinquent tax collections through the contract end date in 2011.

Your Committee has received numerous complaints from taxpayers who have received an erroneous delinquent tax collection letter from DOTAX. Your Committee Chair has confirmed that many of these letters are indeed erroneous: they are the result of the generation of certain names and identification numbers of taxpayers that were identified as non-filers under an inefficient and inaccurate software program created by CGI. Stan Shiraki, Acting Director of DOTAX, stated that DOTAX has taken action to resolve issues relating to the erroneous delinquent tax letters without receiving any assistance from CGI, even though the erroneous letters were generated by CGI. There have been over 69,000 total delinquent tax collection letters mailed to taxpayers for which CGI has neglected to provide customer service support to DOTAX in answering the questions or concerns of the misidentified taxpayers.

As far as delinquent tax collections are concerned, your Committee Chair believes that CGI is unfairly benefitting from the delinquent tax collection revenues under the SOW 1 and SOW 2 contracts because CGI is receiving one-third of the delinquent tax revenues received by DOTAX but CGI is not expending any time or resources in pursuing those delinquent taxes. In other words, your Committee Chair believes that CGI is unfairly profiting at the expense of the State's financial and human resources.

#### **C. Contract Modifications**

The Senior Personnel at DOTAX agreed to a sole source contract in 2008, known as SOW 1, and agreed to modify SOW 1 in 2009 with SOW 2. SOW 2 resulted in one-sided benefits to CGI by reducing the number of initiatives that CGI would be required to deliver to DOTAX under SOW 1. Furthermore, even though CGI's obligations under SOW 2 were reduced, DOTAX did not receive a corresponding reduction in the contract price.

Specifically, the language in SOW 2 made it explicit that all CGI obligations under the original ITIMS contract "shall be deemed complete" on June 30, 2011. Robert Su expressed concern that such a clause in SOW 2 will allow CGI to walk away from the ITIMS initiative on June 30, 2011, without first completing all the necessary requirements to make the delinquent tax collection project reliable and feasible going forward.

Furthermore, the Attorney General wrote an opinion letter to Sandy Yahiro at DOTAX which states that SOW 2, just like SOW 1, omits several general provisions and adjustments that are usually included in all state contracts. Stan Shiraki added that someone at DOTAX made a unilateral business decision to specifically incorporate and execute SOW 1 and SOW 2 as they currently stand.

#### **D. CGI Interference with Daily Operations of DOTAX**

Your Committee has received numerous reports from DOTAX staff that the management and senior personnel at DOTAX allowed the CGI consultants to interfere with the daily operations at DOTAX. Specifically, the interference stemmed from the CGI consultants constantly undermining the efforts of DOTAX staff to operate ITIMS. The CGI consultants also appeared to show a general lack of respect and professionalism for DOTAX staff's competence.

Furthermore, CGI also showed a lack of respect and professionalism for DOTAX leadership, in particular DOTAX's then Director, Kurt Kawafuchi. A former CGI Manager specifically pinpointed Kawafuchi as the problem why DOTAX is not taking in new tax revenues under the delinquent tax collection project. The former CGI Manager deliberately tried to take Kawafuchi out of the picture and instead empower Sandy Yahiro as the Project Director. In regards to the execution of the SOW 2 contract, it appears that the former CGI Manager was successful in that endeavor because it was Sandy Yahiro who signed SOW 2, not Kawafuchi, and the contract modification was signed without consulting any staff members at DOTAX. Robert Su stated, "We were not involved and did not even see the contract [SOW 2] until it was signed."

In addition, the former CGI Manager made several derogatory statements not only about Kurt Kawafuchi, but also about other members of DOTAX's staff. In regard to Kawafuchi, the former CGI Manager made the comment that "Kurt is incapable of managing the situation." Comments the former CGI Manager made in regard to the staff of DOTAX included the following: "clinically psychotic," "experiencing marital problems," and "very strange man."

Your Committee has learned that the former CGI Manager was never located on or working at the project site, which suggests to your Committee Chair that one or more of the CGI consultants at the project site was relaying the above impressions of Kawafuchi and DOTAX staff to the former CGI Manager.

#### **E. Support of DOTAX Staff**

A representative from the Hawaii Government Employees Association testified to your Committee that DOTAX employees are fearful that the CGI consultants and DOTAX management will reprimand or retaliate against any DOTAX employee who questions the feasibility of the ITIMS project or reasonableness of the CGI contracts. In fact, it was reported to your Committee that Acting Director Shiraki publicly reprimanded a bargaining unit 13 member at DOTAX by calling the member's level of competency into question. A complaint by the member against Mr. Shiraki is currently going through the proper legal channels. In addition, Robert Su added that DOTAX management does not have sufficient trust in the abilities of the DOTAX staff, which has resulted in low employee morale at DOTAX and DOTAX employees leaving the department.

Robert Su further testified that he believes that if the business analysts on the delinquent tax collection project came up with the proper requirements for the project, then the DOTAX staff could have successfully managed and operated the delinquent tax collection project for which DOTAX is paying CGI \$25,000,000.

#### **Fiscal Irresponsibility at DOTAX**

**A. Failure to Request Contract Proposals from Other Vendors**

After DOTAX executed the original ITIMS contract in 1999, DOTAX and CGI engaged in four subsequent contracts. The four contracts were subject to the procurement laws of the State of Hawaii but were not adhered to because DOTAX did not put the work to be performed under the contract modifications out to public bid.

The executed contracts between DOTAX and CGI since 2005, including SOW 1 and SOW 2, which DOTAX failed to put out to public competitive bidding, totaled over \$34,500,000. Your Committee Chair understands that the State Auditor is examining the SOW 1 and SOW 2 contract modifications to determine if there were any improprieties or violations with any laws governing state contracts.

**B. Ambiguous Definition of “Delinquent Taxes”**

Under SOW 1 and SOW 2, DOTAX failed to clearly define the term “delinquent taxes” for purposes of the delinquent tax collection project contracted for by DOTAX and CGI. DOTAX allocated \$25,000,000 toward the delinquent tax collection project, but that amount was based on a vague definition of what is considered “delinquent taxes.”

Acting Director Shiraki testified to your Committee that DOTAX currently does not have the manpower to check for non filers, i.e., taxpayers who owe the State tax revenues but who do not file a tax return. In other words, there is currently no record or process in place in the state tax system to identify a non-filer. Thus, DOTAX contracted with CGI to develop a software program that would identify non-filers for DOTAX.

Acting Director Shiraki interprets the term “delinquent taxes” to only apply to taxpayers who did not file a tax return, and the term “non-filer” to apply to those taxpayers who have previously filed a tax return with the State but have subsequently stopped filing a return for amounts owed to the State sometime thereafter. Mr. Shiraki also believes that the DOTAX delinquent tax collectors would collect delinquent taxes in a situation where a tax return was filed, but the taxpayer either did not pay their taxes when filing the return, paid an incorrect amount of taxes, or happened to complete the tax return incorrectly.

However, according to Shiraki, if a taxpayer filed and put a number on a wrong line, then that taxpayer would be considered a filer. Thus, under the SOW 1 and SOW 2 contract modifications, CGI is getting compensation credit for taxpayers who file their tax return incorrectly and for delinquent taxes owed by people who are identified as non-filers. Such an interpretation of “delinquent taxes” has led to a revenue bonus for CGI under the SOW 1 and SOW 2 contracts.

**C. Reduced Deliverables from CGI**

Your Committee Chair finds that DOTAX demonstrated poor fiscal responsibility and management during its negotiations of the SOW 1 and SOW 2 contract modifications. In 2008, the State paid CGI \$25,000,000 to modify the original ITIMS contract through a SOW 1 agreement. The following year in 2009, DOTAX and CGI agreed to reduce the obligations of CGI under the SOW 2 contract. The reduced obligations resulted in CGI being relieved from delivering nine initiatives to DOTAX.

Specifically, the SOW 1 contract modification executed in 2008 listed 22 initiatives for CGI to complete for DOTAX with specific benchmarks and timelines on which to complete those initiatives. The SOW 2 contract modification executed in 2009 only listed 13 initiatives for CGI to complete for DOTAX. However, there was not a corresponding reduction in the \$25,000,000 price tag the State was to pay for SOW 1. Robert Su testified that the SOW 2 contract modification also appears to relieve CGI from meeting the specific benchmarks and timelines that were contracted for in SOW 1, which raises Mr. Su’s concern over what CGI will actually deliver to DOTAX on June 30, 2011. Acting Director Shiraki acknowledges that certain initiatives in SOW 1 were excluded from SOW 2, but states that the agreements between DOTAX and CGI in SOW 2 provide more flexibility to DOTAX.

**IV. CONCLUSIONS**

Based on an analysis and detailed review of the information, documents, and testimony received by your Committee in the informational briefings and hearing, your Committee Chair concludes that monetary appropriations given to DOTAX for the original ITIMS contract in 1999, and the SOW 1 and SOW 2 contracts in 2008 and 2009 respectively, have not been wisely utilized by DOTAX. Furthermore, your Committee Chair has concerns whether the management and senior personnel at DOTAX are properly suited to carrying out certain tax revenue collection projects for the State.

Your Committee has also learned that the State Auditor is currently examining the legalities surrounding the SOW 1 and SOW 2 contract modifications between DOTAX and CGI and will be issuing a report with findings when that examination is concluded.

Signed by the Chair on behalf of the members of the Committee on Ways and Means.

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

The Joint Legislative Investigating Committee created and by Senate Concurrent Resolution No. 18, S.D. 1, H.D. 1, entitled:

“ESTABLISHING A JOINT LEGISLATIVE 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;”

begs leave to report as follows:

**BACKGROUND**

The need for this Joint Legislative Investigating Committee (Committee) arose from the State’s purchase of \$1,100,000,000 in student loan auction rate securities (SLARS) from Salomon Smith Barney, representing nearly 25 percent of the State’s total investment in securities. Due to the financial collapse of the securities market, the assets have been frozen, leaving the State unable to utilize the \$1,100,000,000 in SLARS. As a result, the Auditor required the State to revalue the SLARS at \$114,000,000 less than the amount that the State actually paid, and other subsequent revaluations of the SLARS have estimated the loss at \$254,000,000. It has been asserted by the Auditor in the Auditor’s Financial Examination of the Department of Budget and Finance, Report No. 10-03, dated March 2010, that a portion of the SLARS was purchased in violation of state laws that specify the maximum period of maturity and the minimum financial rating for state investment purchases. In this respect, the Auditor’s overall conclusion was that the Department of Budget and Finance’s lack of leadership and accountability puts the State’s funds at risk. There has been widespread disagreement between the Auditor, the Director of Finance, and the Administration regarding the legality and fiscal integrity of the SLARS investments.

In response, the Legislature adopted Senate Concurrent Resolution No. 18, S.D. 1, H.D. 1, which tasks your Committee with:

- (1) Overseeing the investigation of the Department of Budget and Finance’s handling of the State’s investment in student loan auction rate securities; and
- (2) Assisting the independent attorney in charge of the investigation by holding meetings and hearings as requested, receiving all information from the investigation, and submitting a final report to the Legislature.

**COMMITTEE MEMBERSHIP, PROCEEDINGS, AND WORK**

Pursuant to Senate Concurrent Resolution No. 18, S.D. 1, H.D. 1, your Committee comprised six members, including Senators Donna Mercado Kim, Shan S. Tsutsui, and Sam Slom; and Representatives Marcus R. Oshiro, James K. Tokioka, and Gene Ward.

Your Committee met in one hearing on Monday, October 11, 2010. At this hearing, your Committee laid the organizational and procedural ground work for further hearings, including adopting committee rules and designating Senator Donna Mercado Kim and Representative Marcus R. Oshiro as the Committee’s co-chairs.

Pursuant to your Committee’s recommendation at the hearing co-chairs Kim and Oshiro submitted a letter, dated October 12, 2010, to the Attorney General inquiring whether litigation regarding the State’s SLARS had been undertaken by the State, and, if not, whether such litigation is reasonably likely.

By letter also dated October 12, 2010, the Attorney General informed your Committee that litigation had not been undertaken. The Attorney General also stated that he had been engaged for some months in settlement negotiations with Citigroup Inc., Citigroup Global Markets Inc., and Citigroup Global Markets Holdings Inc. concerning the settlement of claims that could be asserted by the State. Additionally, the Attorney General informed your Committee that it was his belief that “it is more likely than not that these negotiations will result in a settlement (which will mean there will be no litigation), there is no certainty that such a settlement will occur, and I believe there is more than a possibility that such settlement will not occur. I also believe that if such a settlement does not occur, there will unquestionably be litigation against CITI.” Based on the foregoing, the Attorney General concluded that litigation regarding the State’s SLARS is reasonably likely.

**SETTLEMENT AGREEMENT BETWEEN THE STATE  
AND CITIGROUP GLOBAL MARKETS, INC.**

By letter dated November 23, 2010, the Attorney General informed your Committee that a settlement agreement had been reached that day between the State and Citigroup Global Markets, Inc. (CGMI). A copy of the settlement agreement was provided to your Committee and it is attached hereto.

According to the Attorney General’s summarization of the settlement agreement, the principal terms of the agreement are as follows:

- (1) In June 2015, the State will have the option to require CGMI to purchase some or all of the State’s remaining auction rate securities portfolio at par value, as well as to have CGMI make up the difference between the liquidation price and par value on any of the State’s auction rate securities which have been previously involuntarily liquidated below par value. This means that the State’s taxpayers will lose no principal on any of the State’s auction rate securities investments;
- (2) Starting in July 2012, the State will have the ability to obtain interim liquidity on its auction rate securities portfolio of up to \$150 million worth of the securities, at market value, with the difference between that market value and par value to be paid by CGMI by July 2015; and

- (3) The State releases potential claims against CGMI and any affiliated entities and individuals in connection with the State's investments in auction rate securities, and CGMI admits no wrongdoing.

In his media statement, attached to his November 23, 2010 letter, the Attorney General stated his belief that "this settlement is in the best interests of the State, and provides substantial value to the State. The State will essentially get back what it paid for these securities, plus interest collected on them. The alternative—lengthy, expensive litigation—would have provided no certainty, and might, in the end, have been unsuccessful. Bottom line—taxpayers will not lose out on the principal value of these securities, and that is a good result for Hawaii and its citizens."

#### FINDINGS AND RECOMMENDATIONS OF THE JOINT LEGISLATIVE INVESTIGATING COMMITTEE

Your Joint Legislative Investigating Committee finds that the State's investment in the auction rate securities was fiscally imprudent, based on the Auditor's Report No. 10-03, which stated in pertinent part:

Our examination revealed a lack of proper leadership and accountability in the Department of Budget and Finance and resulting deficiencies in its execution of statutorily mandated fiscal responsibilities. We found that the department is not efficiently and effectively managing the State's \$3.8 billion treasury. Its investment policy, which is meant to delineate investment procedures and requirements, has neither been formally updated since 1999, nor reviewed in detail since 2002. Management of state cash and investments is governed by the 1999 policy and general statutory guidance and is carried out via informal, manual procedures that increase risk and hamper efficiency. Neither the director of finance nor the Financial Administration Division (FAD) administrator has exercised proper oversight of investment decisions and activities.

As a result, the state treasury now holds approximately \$1 billion of illiquid auction-rate securities (ARS). We found that the department significantly increased ARS holdings to more than \$1 billion in FY2008, shortly before the ARS market froze. Although the investment policy states that yield is of secondary importance to safety and liquidity, we found the department continued investing in ARS primarily based on their high yields, which generally indicate greater risk. However, the department did not perform a risk assessment or cost-benefit analysis prior to purchase, nor did it obtain and review the securities' offering documents that disclose related risks.

Your Joint Legislative Investigating Committee recommends that the State recover its principal investments from CGMI and related entities. Additionally, your Committee has continuing concerns over the management and supervision of state funds and investments by the Department of Budget and Finance. Your Committee recommends that the Legislature further review the Department's management and supervision of the State's funds and investments.

Signed by Senator Donna Mercado Kim and Representative Marcus R. Oshiro, Co-Chairs, on behalf of the Committee.

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. 1 on S.B. No. 98**

The purpose of this measure is to clarify the existing requirement for a finding of present or future public convenience and necessity for the issuance of a certificate of public convenience and necessity to a water carrier.

Your Committee on Conference finds that applications for entry into the regulated water carrier market require in-depth analyses of specific issues of public convenience and necessity to ensure that successful applications serve the public interest and protect communities from the risk of harm.

In reviewing applications to offer new services within the existing regulatory environment, the Public Utilities Commission must ensure that the entry of new services and service providers does not erode the underpinnings of the regulatory framework or threaten future investment in service and infrastructure in a manner that risks the loss of existing services.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Commission shall not make a finding of public convenience and necessity nor issue a certificate if the evidence in the record indicates that the issuance of the certificate would diminish an existing water carrier's ability to realize its allowed rate of return or if the certificate would allow an applicant to serve only high-margin or high-profit ports or lines of service that are currently served by an existing carrier;
- (2) Inserting an effective date of July 1, 2011; 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. 98, 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. 98, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Chong, Herkes, Ichiyama, Johanson, M. Oshiro, Souki, and Tokioka.  
Managers on the part of the House.  
Ayes, 7. Noes, none. Excused, none.

**Conf. Com. Rep. 2 on S.B. No. 172**

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

- (1) Require that display fireworks bear a permanent label listing the licensee's name, address, and contact information as well as the name and business address of the manufacturer;
- (2) Authorize each county fire chief to conduct inspections of the persons conducting a display, including the site where the display is occurring or will occur within the fire chief's county to determine compliance with the applicable county code and the current editions of the National Fire Protection Association codes and standards;
- (3) Assess an inspection fee upon permittees of displays under section 132D-10(2), Hawaii Revised Statutes;
- (4) Authorize a county fire chief to immediately revoke or suspend any permit issued for display of display fireworks, articles pyrotechnic, or aerial devices within the fire chief's county for certain reasons;
- (5) Limit the times in which display fireworks, articles pyrotechnic, and aerial devices may be set off, ignited, discharged, or otherwise caused to explode from 9:00 a.m. to 9:00 p.m., with certain exceptions; and
- (6) Require license applicants for and shippers of certain fireworks to provide the counties with information regarding the proposed display event and related contact information.

Your Committee on Conference finds that this measure facilitates the arrest and prosecution for the purchase, possession, setting off, igniting, or discharging of fireworks, thereby increasing public safety.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the licensee's contact information on the permanent label required under this measure shall include only the telephone number or electronic mail address; and
- (2) Inserting an effective date of 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. 172, 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. 172, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Hee and Slom.  
Managers on the part of the Senate.

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

Representatives Aquino, Rhoads, Cullen, M. Lee, Takai and Fontaine.  
Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (M. Lee, Takai).

**Conf. Com. Rep. 3 on S.B. No. 1483**

The purpose and intent of this measure is to require the association of a condominium to list its name and address as the representative agent for individual time share owners unless the individual time share owner requests the association to list the individual time share owner's name and address instead.

The intent of listing a condominium association as a representative agent rather than the names and addresses of individual fractional owners in time share properties codifies the current practice by most condominium associations. Further, allowing the listing of a time share association in place of the individual fractional owners is sufficient to ensure that individual time share owners receive important communications from the condominium association, since time share associations regularly pass on communications received from the condominium association to time share owners.

Your Committee has amended this bill by inserting an effective date of 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. 1483, 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. 1483, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Galuteria, Kim, Taniguchi and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Brower, Herkes, Cabanilla, Evans, Hashem and Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Cabanilla, Ching).

**Conf. Com. Rep. 4 on S.B. No. 45**

The purpose of this measure is to repeal the civil service exemptions for the first and second deputy sheriffs.

Your Committee on Conference finds that removing the current civil service exemptions for the first deputy sheriff and second deputy sheriff positions would facilitate more effective administrative and operational management of the Sheriff Division of the Department of Public Safety. There presently are an insufficient number of upper management positions above the operational segments of the Sheriff Division. To address the shortage, the Department of Public Safety has been working with the Department of Human Resources Development to expand the deputy sheriff class series to include captains and majors; however, the Department of Human Resources Development has required that the deputy sheriff positions first be converted to civil service before an expansion of the deputy sheriff class series is considered. This measure takes a necessary step toward improving the administration and operations of the Sheriff Division.

Your Committee on Conference has amended this measure by inserting an effective date of January 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 45, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 45, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Hee, Kim, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kouchi, Slom).

Representatives Aquino, Rhoads, Cullen, Awana, Saiki and Fontaine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Saiki).

**Conf. Com. Rep. 5 on S.B. No. 283**

The purpose of this measure is to incorporate the definitions, guiding principles, and goals of the Hawaii 2050 Sustainability Plan into the Hawaii State Planning Act, codified as chapter 226, Hawaii Revised Statutes.

In 2008, the Legislature adopted Act 225, Session Laws of Hawaii 2008, directing the University of Hawaii College of Social Sciences Public Policy Center to review the Hawaii 2050 Sustainability Plan and provide a definitive framework for the Plan, including defined data, data sources, and benchmarks for each of the major goals of the Plan. One of the Center's recommendations is to incorporate the Hawaii 2050 Sustainability Plan's goals and definition of sustainability into the Hawaii State Planning Act, chapter 226, Hawaii Revised Statutes.

Your Committee on Conference finds that achieving sustainability in Hawaii requires a plan of action with clearly defined objectives and benchmarks. Your Committee on Conference further finds that the codification of the guiding elements of the Hawaii 2050 Sustainability Plan takes an important step toward realizing a sustainable Hawaii.

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



- (1) Deleting language that added a new part, including a findings and purpose and definitions section, to chapter 226, Hawaii Revised Statutes, and replacing it with language that adds one new section and amends several existing sections within chapter 226, Hawaii Revised Statutes;
- (2) Inserting the definitions of “ahupuaa”, “kanaka maoli”, and “sustainability” into section 226-2, Hawaii Revised Statutes, the existing general definitions section for chapter 226, Hawaii Revised Statutes;
- (3) Making numerous amendments to the language that codifies the seven priority guidelines and principles of the Hawaii 2050 Sustainability Plan to promote sustainability for the purposes of clarity, consistency, and brevity;
- (4) Deleting language establishing five major goals that are designed to achieve a preferred future by the year 2050 and replacing them with language that establishes “principles of sustainability” as one of six major areas of statewide concern that merits priority attention;
- (5) Specifying that the University of Hawaii Public Policy Center, in consultation with the Office of Planning, is to submit a status and progress report to the Legislature regarding the implementation of this Act, and streamlining the requirements for the mandatory report;
- (6) Changing the effective date from July 1, 2112, to July 1, 2011; 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. 283, 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. 283, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Kahele, Ryan and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Hanohano, Choy, Chong, Nakashima and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 6 on S.B. No. 1278**

The purpose of this measure is to protect insurance consumers, particularly seniors, from abusive practices by adopting model regulations from the National Association of Insurance Commissioners in compliance with the senior investment protection provisions of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Your Committee on Conference finds that adoption of this measure will bring Hawaii’s laws into conformity with the requirements of federal law, thereby enabling the Insurance Division of the Department of Commerce and Consumer Affairs to apply for federal grants to fund activities that protect seniors from misleading or fraudulent marketing in the sale of financial products. Further, there is a real and present need beyond compliance with federal law for the protections included in this measure. The Insurance Division reports the continuing receipt of complaints from consumers, particularly seniors, about abusive or misleading practices in the sale and marketing of annuities. This measure is also fiscally responsible as it allocates the bulk of the training and compliance responsibilities to insurers, thereby strengthening the Insurance Division’s regulatory and oversight functions without requiring new expenditures of state resources.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2011; provided that the training and procedural requirements imposed on insurers by sections 2 through 6 shall become effective on January 1, 2012.

Your Committee on Conference finds that this measure, as amended, will allow insurers in the State adequate time to institute training programs and procedures to ensure full compliance with the requirements 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. 1278, 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. 1278, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Galuteria, Solomon, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives Herkes, Keith-Agaran, Yamashita, Brower, Cabanilla and Marumoto.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Cabanilla, Keith-Agaran).

**Conf. Com. Rep. 7 on S.B. No. 281**

The purpose of this measure is to:

- (1) Authorize the use or rental of the Division of Animal Industry’s property or facilities for commercial purposes;
- (2) Establish the Animal Industry Special Fund;

- (3) Make an appropriation in an unspecified amount to the Animal Industry Special Fund; and
- (4) Make an appropriation in an unspecified amount from the Animal Industry Special Fund to the Department of Agriculture.

Your Committee on Conference finds that authorizing the commercial use of all of the Division of Animal Industry's property and facilities, rather than limiting the authority to animal quarantine properties and facilities, provides a greater potential source of revenue to assist the Division in moving toward self-sufficiency.

Your Committee on Conference has amended this measure by:

- (1) Removing the appropriation to the Animal Industry Special Fund;
- (2) Removing the appropriation from the Animal Industry Special Fund to the Department of Agriculture; and
- (3) Making this measure effective 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. 281, 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. 281, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kidani, Dela Cruz and Wakai.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Wakai).

Representatives Tsuji, Hashem, Awana and Riviere.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

#### **Conf. Com. Rep. 8 on S.B. No. 1493**

The purpose of this measure is to protect the State's valuable night sky resource by requiring every new and replacement outdoor light fixture, whether commercial or residential, to use full-cutoff fixtures to direct the lighting downward, with certain exceptions.

Your Committee on Conference finds that the night sky in Hawaii is a valuable natural and cultural resource for the State. The dark night sky has tremendous scientific value for astronomers and is of vital importance for endangered species including birds and turtles. Your Committee on Conference further finds that unnecessary light pollution is threatening the dark night sky over the entire State and that much of this light pollution is caused by improperly shielded lights. Act 161, Session Laws of Hawaii 2009, formed a temporary advisory committee to assist in the development of a statewide starlight reserve strategy to preserve the quality of the night sky and its associated values. This measure is intended to implement the recommendations of that temporary advisory committee.

Your Committee on Conference recognizes the concern that the use of the term "fully shielded" as opposed to "full-cutoff" may raise issues regarding the levels of uniformity required by the Illuminating Engineering Society of North America for street lighting and force the realignment of existing light poles. As the term "fully shielded" is the preferred term of the advisory committee and the most appropriate form of light pollution reduction for the purposes of this measure, clarification is necessary to ensure that requiring fully shielded lighting does not create undue hardship for the government entities responsible for street lighting.

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

- (1) Specifying in the purpose section that it is not the Act's intent to require realignment or relocation of existing light poles;
- (2) Replacing the term "full-cutoff" with the term "fully shielded";
- (3) Deleting the language that would have allowed non-complying fixtures to be used when full-cutoff fixtures would not meet the criteria of the Illuminating Engineering Society of North America;
- (4) Adding language to specify that replacement street lighting shall be fully shielded unless a registered electrical engineer certifies that fully shielded lighting will not meet the criteria of the Illuminating Engineering Society of North America in which case partially shielded lights may be used;
- (5) Clarifying with specificity the acceptable alternatives for the lighting of athletic fields when fully shielded lighting is impractical; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1493, 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. 1493, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Fukunaga and Ihara.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ihara).

Representatives Souki, Coffman, Ichiyama, Evans and Johanson.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 9 on S.B. No. 631**

The purpose of this measure is to encourage and facilitate the development of solar renewable energy facilities in Hawaii by allowing solar energy facilities to be placed on agricultural lands with soil classified as overall (master) productivity rating class B or C, subject to certain restrictions.

Your Committee on Conference finds that Hawaii is one of the most fossil fuel-dependent states in the nation with a majority of its oil being imported. Consequently, the State is extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel and price volatility can negatively impact the environment and economic health of the people of Hawaii. At the same time, Hawaii has among the most abundant solar energy resources in the world. These resources should be utilized to the maximum extent possible in order to reduce the State's dependence on fossil fuels and contribute to energy self-sufficiency.

Your Committee on Conference further finds that the development and use of renewable solar energy would be instrumental in contributing to the State's energy self-sufficiency as well as the promotion of agricultural sustainability. Hawaii's farmers and ranchers need to fight energy costs with energy revenues to become or remain viable business entities. Allowing the use of agricultural land for solar energy production provides farmers and ranchers with the opportunity to produce and sell electricity to offset their costs.

Although this measure includes additional restrictions on the construction of solar energy facilities on Important Agricultural Lands, your Committee on Conference recognizes that some areas designated as Important Agricultural Lands have soil classified as overall (master) productivity rating class D on which solar facilities are currently permitted on an unrestricted basis. Furthermore, your Committee on Conference notes that certain provisions in this measure create a conflict with section 205-4.5(a), Hawaii Revised Statutes.

Accordingly, your Committee has amended this measure by:

- (1) Deleting any reference to Important Agricultural Lands;
- (2) Amending section 205-4.5(a), Hawaii Revised Statutes, to eliminate the conflict with this measure; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 631, 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. 631, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Nishihara, and Dela Cruz.

Managers on the part of the Senate.

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

Representatives Coffman, Chang, Tsuji, Ito, Kawakami, and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 10 on S.B. No. 101**

The purpose of this measure is to exempt the preparation of hand-pounded poi from certain Department of Health requirements regarding food safety, under certain conditions, and to require the Department of Health to adopt rules in order to recognize the preparation of poi using traditional Hawaiian cultural food preparation practices.

Your Committee on Conference finds that this exemption is necessary to protect Hawaiian cultural practices and urges the Department of Health to expeditiously adopt rules in accordance with this measure.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Department of Health to adopt rules no later than December 31, 2011, to effectuate this measure; and
- (2) Making 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. 101, 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. 101, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Hanohano, Yamane, Herkes, C. Lee, Wooley and Ward.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (C. Lee, Wooley).

**Conf. Com. Rep. 11 on S.B. No. 105**

The purpose and intent of this measure is to adopt the Uniform Real Property Transfer on Death Act to authorize the transfer of real property to designated beneficiaries through a transfer on death deed that avoids the requirements of probate.

Your Committee on Conference finds that, under current law, there is no simple and straightforward means of passing on real property from a decedent to a beneficiary, even though real property is often an individual's most important or only asset. In contrast, there are existing simple methods of passing on personal property of similar value such as life insurance, pension plans, securities, or banked assets. A transfer on death deed for real property as provided by this measure offers individuals a means of distributing real property to surviving family or loved ones without a lengthy and complicated probate process and without unintended adverse effects such as complications of Medicaid eligibility for either the grantor or the beneficiary. In addition to allowing surviving families and beneficiaries to avoid the expenses and potentially lengthy processes of probate court, this measure will also provide the State cost savings by reducing the need for probate court services. This measure is based on a uniform model act that has been adopted by thirteen states to date.

Your Committee on Conference has amended this measure by specifying that the exemption from the conveyance tax contained in this measure applies to documents or instruments that conform to the transfer on death deed as authorized 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 S.B. No. 105, 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. 105, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero, Galuteria, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives B. Oshiro, Choy, Brower, Luke and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 12 on S.B. No. 975**

The purpose of this measure is to require real estate appraisers to comply with the Uniform Standards of Professional Appraisal Practice when acting as an arbitrator in an arbitration proceeding to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate.

Your Committee on Conference finds that licensed real estate appraisers often serve as arbitrators in proceedings to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate. Real estate appraisers often provide appraisal services in connection with arbitration proceedings to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate. Whether acting in the capacity of arbitrator or appraiser in these proceedings, licensed real estate appraisers use their professional skills and substantive knowledge to make judgments on the value of real estate. Therefore, real estate appraisers should adhere to the same Uniform Standards of Professional Appraisal Practice regardless of whether they are acting in the capacity of a real estate appraiser or arbitrator.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to specify that the record of an award in an arbitration proceeding to determine the fair market value, fair market rental, or fair and reasonable rental of real property where the arbitrator is a licensed real estate appraiser shall include findings of fact; rationale for the award; certification of the arbitrator's compliance with the Uniform Standards of Professional Appraisal Practice; and the data, methodologies, and analysis that provided the basis for the award;
- (2) Deleting a provision stating that an arbitration agreement shall prevail in the case of conflict between the arbitration agreement and the Uniform Standards of Professional Appraisal Practice;
- (3) Inserting an effective date of upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 975, 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. 975, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Herkes, Keith-Agaran, Nakashima, Tsuji and Riviere.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, 1 (Keith-Agaran).

**Conf. Com. Rep. 13 on S.B. No. 1519**

The purpose and intent of this bill is to update provisions of the Secure and Fair Enforcement for Mortgage Licensing Act relating to mortgage loan originators in order to meet additional regulatory objectives of the Act.

Hawaii's Secure and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes, was originally enacted in 2009 pursuant to the requirements of federal law. The regulatory system established by the federal law, with which Hawaii is obligated to comply, is still in the process of becoming fully developed as its component parts are implemented nationwide. As

Hawaii's regulatory agencies have begun implementing the requirements of the state and federal laws on the state level, they have identified opportunities for increasing administrative efficiency and making the law more responsive to real world regulatory concerns.

Adoption of this bill will make the process of licensing mortgage loan originators more efficient and will bring Hawaii's law into compliance with federal requirements. Your Committee notes that this bill is the result of productive collaboration among stakeholders including consumers, mortgage professionals, and regulatory bodies.

Your Committee has amended this bill by:

- (1) Clarifying that, in conformity with federal law, the prohibition on originating a residential mortgage loan based primarily on the market value of collateral rather than on the borrower's ability to repay the loan according to its terms does not apply to reverse mortgages;
- (2) Specifying that a licensee shall not advertise terms of a residential mortgage loan in violation of federal law; and
- (3) Inserting an effective date of upon approval.

The Secure and Fair Enforcement for Mortgage Licensing Act applies only to residential mortgage loans. Therefore, your Committee notes that the provisions of this bill amending the Safe and Fair Enforcement for Mortgage Licensing Act apply only to actions taken in connection with residential mortgage loans and not to any other types of financial transactions, including bridge loans. This bill is not intended to prohibit legitimate residential mortgage loan origination activities provided to consumers.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1519, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1519, S.D. 3, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero and Taniguchi.

Managers on the part of the Senate.

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

Representatives Herkes, Keith-Agaran, Chong, Cabanilla, Evans and Marumoto.

Managers on the part of the House.

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

#### **Conf. Com. Rep. 14 on S.B. No. 44**

The purpose of this measure is to:

- (1) Require the Department of Public Safety to establish and publish on its website key performance indicators or measures to be incorporated into reports that evaluate the Department's efforts to improve offender reentry and rehabilitation; and
- (2) Consolidate into one report other specified reports of the Department of Public Safety.

Your Committee on Conference finds that Act 8, First Special Session Laws of Hawaii 2007 (Act 8), enacted the Community Safety Act, which was codified as chapter 353H, Hawaii Revised Statutes. The Community Safety Act established a comprehensive offender reentry system under the purview of the Department of Public Safety. Act 8 also required the Department of Public Safety to submit to the Legislature annual reports through 2010 relating to the implementation, progress, and effectiveness of the program components specified in Act 8. Your Committee on Conference finds that performance indicators are an effective means of tracking the progress of the comprehensive reentry system.

Your Committee on Conference has amended this measure by:

- (1) Codifying into the Hawaii Revised Statutes the language requiring the Department of Public Safety to submit to the Legislature an annual consolidated corrections and program report;
- (2) Requiring the Department of Public Safety to submit an annual report to the Legislature before each Regular Session on key performance indicators that track the rehabilitation and reentry efforts for individuals who are prepared to exit the correctional system;
- (3) Inserting an effective date of upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 44, 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. 44, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kidani and Slom.

Managers on the part of the Senate.

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

Representatives Aquino, Cullen, Ichiyama, Souki and Fontaine.

Managers on the part of the House.

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

**Conf. Com. Rep. 15 on S.B. No. 758**

The purpose of this measure is to extend the use of Hawaii Compliance Express for small-business vendors, affording them the same savings of time and money in the contracting process.

Your Committee on Conference is in agreement that this measure will prove beneficial for Hawaii's small businesses, which is particularly important under the current economic conditions as small businesses account for the bulk of the registered businesses in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Including language in the purpose section regarding the current requirement that vendors provide proof of compliance with applicable laws in order to receive state and county contracts greater than \$15,000;
- (2) Clarifying that the use of Hawaii Compliance Express shall apply to all contracts and procurements of \$2,500 or more; and
- (3) Changing the effective date from October 1, 2011, 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 S.B. No. 758, 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. 758, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Wakai and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives McKelvey, Choy, Awana, Evans and Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 16 on S.B. No. 1277**

The purpose and intent of this bill is to update the laws regulating legal service plans to enable the Insurance Commissioner to exert more effective oversight of these plans.

Your Committee on Conference finds that, historically, legal service plans have demonstrated a low rate of compliance with applicable regulatory laws. In addition, there is currently no periodic renewal process for legal service plans. Therefore, the Insurance Commissioner has no way to track the continued existence and legitimate operations of legal service plans within the State, or to effectively enforce compliance with the applicable laws. This bill will allow the Insurance Commissioner to operate with more certainty and efficiency in exerting oversight of legal service plans in this State.

Your Committee on Conference has amended this measure by:

- (1) Specifying a bond amount of \$100,000 required to secure the faithful performance of the obligations of a legal service plan;
- (2) Specifying fee amounts of \$1,000 and \$500 chargeable by the Insurance Commissioner for issuance of a certificate of authority for authorized legal service plans before July 1, 2014, and on or after July 1, 2014, respectively;
- (3) Specifying fee amounts of \$1,000 and \$500 chargeable by the Department of Commerce and Consumer Affairs for all services provided for authorized legal service plans before July 1, 2014, and on or after July 1, 2014, respectively;
- (4) Inserting an effective date of upon approval; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1277, 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. 1277, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Keith-Agaran, Yamashita, Cabanilla, Luke and Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Cabanilla, Luke).

**Conf. Com. Rep. 17 on S.B. No. 142**

The purpose of this bill is to protect Hawaii's water resources by establishing safeguards and mechanisms to preserve and maintain the State's dams and reservoirs.

Your Committee on Conference finds that in addition to serving Hawaii's agricultural industry, dams and reservoirs also benefit the general public by providing drinking water, renewable energy through hydropower, and flood control and drainage for public safety. By recognizing that the maintenance of dams and reservoirs is necessary for their continued operation, this measure enables the Board

of Land and Natural Resources to give due consideration to the critical importance of dams and reservoirs to the State in the Department's administration of the dam and reservoir safety program.

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 S.B. No. 142, 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. 142, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Ige, Kouchi, Solomon and Slom.

Managers on the part of the Senate.

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

Representatives Chang, Tsuji, Har, Nakashima and Riviere.

Managers on the part of the House.

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

**Conf. Com. Rep. 18 on S.B. No. 14**

The purpose of this measure is to:

- (1) Expand the authorized uses of monies in the Agricultural Development and Food Security Special Fund to include the improvement of dams and reservoirs, as well as water quality testing and improvement;
- (2) Specify that the monies in the Agricultural Development and Food Security Special Fund may also be used for investigative studies to identify and assess necessary improvements to dams, reservoirs, irrigation systems, and transportation networks; and
- (3) Authorize the Director of Finance to issue general obligation bonds in an unspecified amount and deposit the revenues into the Agricultural Development and Food Security Special Fund for dam, reservoir, or irrigation system improvements.

Your Committee on Conference finds that dams and reservoirs are critical components of functioning irrigation systems. This measure will allow the use of Agricultural Development and Food Security Special Fund monies for improvements and investigative studies of dams and reservoirs.

Your Committee on Conference has amended this measure by:

- (1) Removing sections 2 and 3 of this measure relating to the issuance of general obligation bonds and deposit of the revenues into the Agricultural Development and Food Security Special Fund and the expenditure of those monies by the Department of Agriculture;
- (2) Making this measure effective on July 1, 2011; 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. 14, 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. 14, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kidani, Kouchi, and Dela Cruz.

Managers on the part of the Senate.

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

Representatives Tsuji, Chang, Hashem, Nakashima, Tokioka and Riviere.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 19 on S.B. No. 1213**

The purpose of this measure is to create a temporary task force to study and make recommendations on state and county administrative rules affecting businesses, particularly those relating to county building permits, with a view toward streamlining the approval process for businesses.

A recent executive order by President Obama directs federal agencies to reduce regulatory burdens on small businesses and foster economic growth while protecting the health and safety of all Americans. The executive order essentially requires, among other things, federal agencies to review federal regulations with a view toward revising the regulations to minimize costs to businesses and to coordinate, simplify, and harmonize regulations to reduce costs and promote certainty for businesses and the public. Overall, the initiative is part of an ongoing effort to improve governmental efficiency.

Your Committee on Conference finds that Hawaii should undertake a similar review of state and county administrative rules affecting businesses to streamline the approval process for businesses by amending or repealing rules that may impose burdensome or unnecessary costs to businesses.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of upon approval; and

- (2) 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. 1213, 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. 1213, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Dela Cruz and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Chang, Choy, Cabanilla, Kawakami and Marumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 20 on S.B. No. 298**

The purpose of this measure is to establish a regulatory framework for sustainable benefit corporations, a form of private business corporation that offers entrepreneurs and investors the option to build and invest in enterprises that operate in a socially and environmentally responsible manner.

Under general principles of corporate organization, the directors of a corporation have a singular and enforceable duty to maximize shareholder profits. Your Committee on Conference finds that this duty may prevent entrepreneurs and investors from achieving their own goals of establishing and investing in private enterprises that serve social or environmental purposes in addition to pursuing profits. Several other states have responded to market demand for opportunities to pursue good corporate citizenship by authorizing the formation of corporate entities that may be governed according to principles other than pure profit motive. Authorizing the formation of sustainable benefit corporations in this State will help to diversify Hawaii's economy by attracting entrepreneurship and investment in innovative businesses and emerging industries.

The corporate structure authorized by this measure is a voluntary designation that preserves the private nature of corporations that choose it and relies on the governing structure of the corporation itself for enforcement. Further, the registration and regulatory requirements contained in this measure are designed to avoid disruption to the registry of the Business Registration Division of the Department of Commerce and Consumer Affairs and undue burden on the State's regulators.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of upon approval; and
- (2) 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. 298, S.D. 3, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 298, S.D. 3, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Hee and Taniguchi.

Managers on the part of the Senate.

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

Representatives McKelvey, Herkes, M. Oshiro, Awana, Choy and Marumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 21 on S.B. No. 1485**

The purpose of this measure is to authorize the Superintendent of Education to:

- (1) Reconstitute a public school, except a charter school, after certain considerations have been made, that has been in restructuring for four or more school years and has not made significant advances toward improving academic performance; and
- (2) Recommend to the Charter School Review Panel actions that should be taken to reconstitute a charter school that has been in restructuring for four or more school years or recommend that the charter school's charter be revoked.

Your Committee on Conference finds that this measure is necessary to allow the Superintendent to reconstitute low performing schools and to meet various reform assurances made under No Child Left Behind and in Hawaii's Race to the Top grant application. This measure will also demonstrate the State's commitment to the transformative education reforms outlined in its Race to the Top grant application.

Your Committee on Conference has amended this measure by 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. 1485, 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. 1485, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Kidani and Slom.



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

Representatives Takumi, M. Lee, Belatti, Saiki and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Saiki).

**Conf. Com. Rep. 22 on S.B. No. 1282**

The purpose of this measure is to repeal the administration of norm-referenced testing on July 1, 2015, and to require a school or complex that chooses to administer norm-referenced testing until July 1, 2015, to be responsible for all contracts and costs relating to the testing.

Your Committee on Conference finds that the Department of Education has adopted the Common Core Standards and this measure will prepare the Department for the implementation of these newly adopted standards by repealing the administration of norm-referenced testing for certain grades on July 1, 2015.

Your Committee on Conference has amended this measure by amending its effective date to clarify that this measure shall take effect upon approval; provided that:

- (1) The amendments made in section 2 of this measure to section 302A-201(b), Hawaii Revised Statutes, allowing voluntary administration of norm-referenced testing, shall be repealed on June 30, 2015; and
- (2) The Department's administration of norm-referenced testing for certain grades under section 302A-201(b), Hawaii Revised Statutes, shall be repealed on July 1, 2015.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1282, 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. 1282, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, M. Lee, Belatti, Wooley and Johanson.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 23 on S.B. No. 1503**

The purpose of this measure is to ensure that students who are eligible for special education and related services receive quality education by requiring:

- (1) Certain private special education schools and programs that provide services to students with disabilities who receive state funding to comply with federal and state laws, rules, and regulations; and
- (2) Any nonpublic special education school or program that is not accredited by specific accrediting agencies to apply for accreditation within ninety days from the date the student with disabilities is accepted or otherwise placed at the school or program.

Your Committee on Conference finds that situations arise in which private special education schools or programs provide placement opportunities for students with disabilities at the Department of Education's expense. Your Committee on Conference further finds that it is vital that these special education schools or programs comply with federal and state laws and are accredited to ensure that students with disabilities are receiving appropriate services.

Your Committee on Conference has amended this measure by changing the effective date 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 S.B. No. 1503, 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. 1503, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Kidani, Ryan and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Takumi, M. Lee, Belatti, Hanohano and Johanson.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 24 on S.B. No. 986**

The purpose of this measure is to:

- (1) Establish a seven-member task force to formulate policies and procedures to eliminate the disproportionate representation of native Hawaiians in Hawaii's criminal justice system by looking for new strategies to reduce or avoid unnecessary involvement of these individuals with the criminal justice system;

- (2) Require the task force to submit a final report to the Legislature prior to the Regular Session of 2013; and
- (3) Repeal the task force on August 1, 2013.

Your Committee on Conference finds that, while there are differences in approach between the Senate and House drafts of this measure, there is broad agreement regarding the importance of addressing the findings in the Office of Hawaiian Affairs 2010 study on "The Disparate Treatment of Native Hawaiians in the Criminal Justice System."

In reaching consensus, your Committee on Conference has amended this measure by:

- (1) Increasing the membership of the task force from seven to nine members to add two members: a representative from the Office of the Public Defender, and a member of the public selected by the Governor from a list of no more than four names, two submitted by the Senate President and two submitted by the Speaker of the House of Representatives;
- (2) Clarifying the requirements for submission of lists for the criminologist member;
- (3) Changing the effective date from July 1, 2030, to upon approval; and
- (4) Making technical, nonsubstantive amendments, including the capitalization of the term "Native Hawaiians" to reflect the language in the Office of Hawaiian Affairs study, 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. 986, 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. 986, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Kidani, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Hanohano, Aquino, Rhoads, C. Lee, Wooley and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 25 on S.B. No. 40**

The purpose of this measure is to establish an electronic tracking system for the sale of pseudoephedrine to further control access to pseudoephedrine to help limit the use of pseudoephedrine in the illegal manufacturing and sale of methamphetamine.

Your Committee on Conference finds that this measure can be improved by amending section 329-75, Hawaii Revised Statutes, to establish a tracking system that will provide real-time tracking capabilities, along with the ability to generate "stop sale alerts" that automatically prevent a seller or purchaser from violating the quantity limits of products containing pseudoephedrine or ephedrine base.

Your Committee on Conference has amended this measure by:

- (1) Establishing the electronic tracking system by amending section 329-75, Hawaii Revised Statutes, rather than creating a new section within chapter 329, Hawaii Revised Statutes;
- (2) Imposing on prescription and nonprescription products containing ephedrine base, the same tracking requirements for the sales of product, mixtures, or preparations as are imposed on those products containing pseudoephedrine base and imposing a reporting requirement for wholesalers of products containing ephedrine base;
- (3) Subjecting pharmacies to the tracking requirements for the sales of product, mixtures, or preparations containing pseudoephedrine or ephedrine base and imposing a reporting requirement for wholesalers of ephedrine base;
- (4) Eliminating tracking requirements for certain products containing ephedrine's salts, isomers, or salts of isomers;
- (5) Requiring purchasers of pseudoephedrine or ephedrine base to sign a written or electronic log attesting to the validity of the information provided to the pharmacy or retailer;
- (6) Requiring that the National Precursor Log Exchange is available to retailers in the State without a charge for accessing the system;
- (7) Allowing a pharmacy or retailer selling an over-the-counter product containing pseudoephedrine or ephedrine to seek an exemption from submitting transactions to the electronic sales tracking system by placing the request in writing to the Board of Pharmacy;
- (8) Designating the Narcotics Enforcement Division of the Department of Public Safety as the appropriate entity to receive state transaction records from the National Association of Drug Diversion Investigators;
- (9) Requiring the Narcotics Enforcement Division of the Department of Public Safety to execute a memorandum of understanding with the National Association of Drug Diversion Investigators governing access to the information contained in the National Precursor Log Exchange online portal;
- (10) Designating a violation of section 329-75(b) through (f), Hawaii Revised Statutes, as a class C felony;
- (11) Making the measure effective upon approval; and

(12) 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. 40, 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. 40, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Hee, Gabbard and Wakai.  
Managers on the part of the Senate.

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

Representatives Yamane, Herkes, B. Oshiro, Morikawa and Pine.  
Managers on the part of the House.

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

**Conf. Com. Rep. 26 on S.B. No. 181**

The purpose of this measure is to establish a working group attached to the Department of Accounting and General Services to study the feasibility of requiring new single-family residential construction to provide accommodations for the addition of photovoltaic systems.

Your Committee on Conference finds that the installation of photovoltaic systems on existing homes can be hindered by design features that were incorporated at the time of initial construction of the homes. A requirement for new single-family residential construction to provide accommodations for the addition of photovoltaic systems would facilitate widespread adoption of photovoltaic systems in the future and optimize future gains from solar technology. This would result in reduced energy demand on the grid, reduced greenhouse gas emissions, and reduced dependency on imported fossil fuels. Such a requirement, however, may not be practical in all situations, and an all-encompassing mandate may be inappropriate at this time. Therefore, a thorough study of the feasibility of such a requirement is preferable at this juncture.

Your Committee on Conference recognizes that the Department of Business, Economic Development, and Tourism is more thoroughly involved in the field of renewable energy than the Department of Accounting and General Services and that certain areas in the State may have easier access to various forms of renewable energy aside from solar energy.

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

- (1) Replacing the Department of Accounting and General Services with the Department of Business, Economic Development, and Tourism as the agency to which the working group is administratively attached;
- (2) Deleting the Comptroller or Comptroller's designee from the list of working group members;
- (3) Directing the working group to identify areas in the State where the use of photovoltaic systems would be impractical or where other renewable energy resources are more readily available; 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. 181, 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. 181, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Dela Cruz and Espero.  
Managers on the part of the Senate.

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

Representatives Coffman, Chong, Chang, Herkes, Kawakami and Thielen.  
Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Chong, Kawakami).

**Conf. Com. Rep. 27 on S.B. No. 49**

The purpose of this measure is to require the Director of Public Safety to report the death of any correctional facility employee or inmate to the Governor, who in turn, is required to report the death to the Legislature.

Your Committee on Conference finds that since the Department of Public Safety is responsible for the well-being of incarcerated people, an incident as compelling as the death of an inmate or that of an employee warrants immediate reporting. This immediate notification would help to dispel rumors, inform anxious family members, and provide a communication link between what happens in a correctional facility and policy makers.

It is the intent of your Committee on Conference that the Director of Public Safety report to the Governor on the death of any correctional facility employee or inmate as soon as possible, regardless of whether or not the official cause of death has been determined. The Governor would in turn report the death to the Legislature. Thereafter, as soon as the official cause of death has been determined, the Director of Public Safety shall again report the official cause of death to the Governor who in turn shall report it to the Legislature.

Your Committee on Conference has amended this measure by:

- (1) Changing to forty-eight hours the time within which the Department of Public Safety shall report the death of a correctional facility employee or inmate to the Governor and within which the Governor shall report the death to the Legislature;

- (2) Requiring the Department of Public Safety to immediately report the official cause of death to the Governor upon a determination of the official cause of death and the Governor to immediately report the official cause of death to the Legislature;
- (3) Inserting an effective date of upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 49, 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. 49, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kidani and Ryan.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Kidani).

Representatives Aquino, Yamashita, Cullen, Ichiyama and Fontaine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 28 on S.B. No. 106**

The purpose of this measure is to apply Act 193, Session Laws of Hawaii 2008 (Act 193), relating to requiring concurrent sentencing of multiple terms of imprisonment unless otherwise ordered by the court, to all terms of imprisonment imposed on, before, or after the effective date of that Act.

Your Committee on Conference finds that Act 193, when it was enacted in 2008, was intended to apply to all terms of imprisonment, including terms of imprisonment that were imposed by the courts prior to June 18, 2008, the effective date of the Act.

Your Committee on Conference notes that the recalculation of an inmate's terms of imprisonment pursuant to Act 193 is not to be construed as correcting a sentencing error, as a resentencing of the inmate, or a reopening of the court's final judgment. The Act simply requires the Department to recalculate an inmate's terms of imprisonment, at the written request of the inmate, in compliance with the legislative policy on imprisonment that is expressed in Act 193, and to release the inmate if warranted by the recalculation.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of July 1, 2011; and
- (2) 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. 106, 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. 106, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Hee and Shimabukuro.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

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

**Conf. Com. Rep. 29 on S.B. No. 1068**

The purpose of this measure is to expand the offense of cruelty to animals in the first degree to include:

- (1) Torturing any pet animal or equine animal that results in serious bodily injury or death to the pet animal or equine animal;
- (2) Killing or attempting to kill any pet animal belonging to another person without first obtaining legal authority or the consent of the pet animal's owner; and
- (3) Exempting from the prohibition in paragraph (2) the humane euthanasia of an animal or conduct that the actor believes to be necessary to avoid an imminent harm or evil to the actor or to another.

Your Committee on Conference finds that this measure will create stronger protections for pet animals from abuse and cruelty. Your Committee on Conference, however, recognizes that humane treatment and safeguarding of pet animals must be balanced with practical exceptions for emergencies, including the protection of pet animals or livestock from other animals. Your Committee on Conference acknowledges that this measure may be improved in those areas.

Humane treatment of pet animals includes the use of proper techniques when euthanizing an animal to minimize pain, distress, and anxiety experienced by the animal. Your Committee on Conference believes that inserting the requirement that humane euthanasia of an animal be performed in accordance with American Veterinary Medical Association accepted standards will help ensure that euthanasia, when necessary, is carried out in a manner that avoids pain to and stress on the animal.

Additionally, although the measure allows persons to protect themselves or others from imminent harm from an animal, your Committee on Conference believes that this exemption should extend to a person who uses reasonable force against an animal in order to defend or protect the person, another person, or another animal. With this extension, the owner of livestock or a pet may respond to an animal attack on the owner's livestock or pet without risk of prosecution.

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

- (1) Requiring euthanasia of pet animals to be performed in accordance with American Veterinary Medical Association accepted standards; and
- (2) Extending the justification for a choice of evils under section 703-302, Hawaii Revised Statutes, to include the protection of animals.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1068, 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. 1068, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Ito, Luke, Souki and Thielen.  
Managers on the part of the House.  
Ayes, 3; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Luke, Souki).

**Conf. Com. Rep. 30 on S.B. No. 217**

The purpose of this measure is to expand the ability of sex abuse victims to seek civil claims and compensation for damages by:

- (1) Allowing claims against natural persons who committed an act of sexual abuse against a minor or a legal entity;
- (2) Reviving for two years certain actions for which the statute of limitations had previously lapsed;
- (3) Allowing an award of attorney's fees if a false accusation was made with no basis in fact and with malicious intent; and
- (4) Requiring a certificate of merit to be filed for plaintiffs who are twenty-six years of age or older.

Your Committee on Conference finds that this measure is intended to expand the ability of sexual abuse victims to seek civil compensation for damages resulting from their sexual abuse. Your Committee on Conference further finds that perpetrators of abuse often target children over a lifetime. Many victims who are under the age of majority do not report their abuse to the appropriate authorities and the majority of potential claims expire before the victims are capable of going to court.

Your Committee on Conference additionally finds that organizations and adults may also contribute to childhood sexual abuse and thus should be held accountable for their actions. Your Committee on Conference notes that all entities, including the State, should be subject to civil actions for past sexual abuse of minors.

Your Committee on Conference notes that other states have enacted laws that create retroactive civil statute of limitations windows. The Delaware Child Victim's Act of 2007, codified at section 8145 of the Delaware Code, allowed a two-year window for alleged victims of child sexual abuse to file lawsuits even though the statute of limitations had expired. On February 22, 2011, the Delaware Supreme Court ruled in *Sheehan v. Oblates of St. Francis de Sales*, 2011 WL 592186 (Del.Supr.), that the Child Victim's Act of 2007 was constitutional and did not violate defendants' rights to prompt due process.

Your Committee on Conference acknowledges that reforming the statute of limitations period for victims of childhood sexual abuse is one method of identifying child predators but believes that the elimination of a statute of limitations for claims based on childhood sexual abuse is the most effective method to bring justice for past victims and help prevent abuse of children in the future.

Your Committee on Conference also notes that the elimination of a statute of limitations warrants additional protections against false claims or claims brought as a result of false memories. Your Committee on Conference therefore finds that requiring a certificate of merit to be filed on behalf of all plaintiffs is an appropriate safeguard.

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

- (1) Clarifying that an action for recovery of damages based on sexual abuse of a minor may be brought against a natural person at any time following the commission of the act or acts that constituted the sexual abuse;
- (2) Clarifying that an action for recovery of damages based on sexual abuse of a minor may be brought against a legal entity at any time following the commission of the act or acts that constituted sexual abuse;
- (3) Adding the State as an entity eligible to be sued for future claims of sexual abuse;
- (4) Clarifying that damages shall not be awarded for sexual abuse of a minor against a natural person or legal entity at any time following the sexual abuse if liability is based on simple negligence;
- (5) Deleting the requirement that an action for recovery of damages for sexual abuse of a minor against a natural person or legal entity at any time following the sexual abuse must be brought within eight years of the plaintiff attaining the age of majority or three years of the date the plaintiff discovered or reasonably should have discovered that psychological injury or illness occurring after the age of majority was caused by the sexual abuse;

- (6) Adding the State as an eligible entity to be sued for past claims of sexual abuse for which the statute of limitations had previously lapsed;
- (7) Clarifying that a certificate of merit must be filed for each plaintiff, not just plaintiffs who are twenty-six years of age or older;
- (8) Adding Registered Nurses as one of the licensed professionals whose notarized statement is required to be filed with a certificate of merit;
- (9) Changing the effective date to upon approval; and
- (10) 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. 217, 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. 217, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hee, Ihara, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Mizuno, Keith-Agaran, Jordan, Wooley and Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Wooley).

**Conf. Com. Rep. 31 on S.B. No. 229**

The purpose of this measure is to:

- (1) Make it an unlawful discriminatory practice for an employer to engage in discriminatory actions against an employee in certain situations because of the employee's domestic or sexual violence victim status if the employee provides notice to the person's employer of the status or the employer has actual knowledge of the status;
- (2) Require an employer to make reasonable accommodations in the workplace for an employee who is a victim of domestic or sexual violence, unless the accommodations cause undue hardship on the work operations of the employer;
- (3) Define undue hardship for purposes of the exemption;
- (4) Authorize the employer to verify that the employee is a victim of domestic or sexual violence prior to making reasonable accommodations for the employee;
- (5) List the types of items that the employer may request the employee to provide in order to allow the employer to verify the employee's status; and
- (6) Authorize an employee who is denied reasonable accommodations by an employer in violation of this measure to file a civil action against the employer.

Your Committee on Conference finds that domestic or sexual violence may have a serious and devastating impact on victims' physical and emotional health and financial security. Domestic and sexual violence takes a heavy toll on victims and their employers, including increased security and safety concerns, reduced productivity, and increased health care costs. As a result, victims of domestic and sexual violence can face the loss of their jobs at a time when employment and financial independence is critical.

While your Committee on Conference believes that employers of victims of domestic and sexual violence should not discriminate against and should provide reasonable accommodations for their victim employees, your Committee on Conference notes that the protections available to employees under section 378-2, Hawaii Revised Statutes, are broad. Accordingly, it is reasonable to allow an employer to verify the victim's status by requesting that the employee provide corroboration of their victim status in order for the protections available under section 378-2, Hawaii Revised Statutes, to apply.

Your Committee on Conference has amended this measure by:

- (1) Inserting provisions in section 378-2, Hawaii Revised Statutes, that will allow an employer to request an employee to provide verification of the victim's status initially and not more than once every six months after the employer is notified of the victim's status; and
- (2) 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. 229, 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. 229, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

Senators Hee, Shimabukuro and Kim.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Mizuno, Keith-Agaran, Jordan, B. Oshiro and Fontaine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (B. Oshiro).

**Conf. Com. Rep. 32 on S.B. No. 1025**

The purpose of this measure is to:

- (1) Add to the offense of assault in the second degree the intentional or knowing causation of bodily injury to a firefighter or water safety officer who is engaged in the performance of duty;
- (2) Add to the offense of unauthorized entry in a dwelling the intentional or knowing entry into a dwelling with reckless disregard of the risk that another person was lawfully in the dwelling who was sixty-two years of age or older, was an incapacitated person, or had a developmental disability and making the offense committed against those individuals a class B felony; and
- (3) Add a new chapter relating to labor trafficking, which establishes the offenses of labor trafficking in the first degree, labor trafficking in the second degree, nonpayment of wages, and unlawful conduct with respect to documents, and related provisions.

Your Committee on Conference finds that the intent of this measure is to protect firefighters and water safety officers from unnecessary harm from members of the public. Similar to correctional workers, educational workers, and emergency medical services providers, firefighters and water safety officers may find themselves in hostile and volatile situations, stemming from drug use by or domestic violence between members of the public. These volatile situations can erupt and place a firefighter or water safety officer in danger trying to perform public safety functions.

Your Committee on Conference also finds that home invasions are traumatic experiences for the victims and may be especially frightening for vulnerable elderly and disabled individuals present during the intrusion. Accordingly, your Committee on Conference believes that an offense against one of these vulnerable individuals necessitates a stronger punishment in the form of a class B felony and the designation of unauthorized entry in a dwelling in the first degree. Therefore, as described below, your Committee on Conference has established a new offense of unauthorized entry in a dwelling in the first degree for intrusions into dwellings in which vulnerable individuals are present, and has redesignated the existing offense of unauthorized entry in a dwelling as a second degree offense, with one substantive amendment described below.

Your Committee on Conference notes that the element of reckless disregard of the risk that another person was lawfully present in the dwelling is part of the existing offense of unauthorized entry in a dwelling. Your Committee on Conference has repealed this element with the intent that the presence of a person lawfully present in the dwelling shall be a strict liability element, and, for purposes of prosecution of this offense, it shall not be necessary to prove that a defendant knew or had any reason to know that someone else was lawfully in the dwelling. Your Committee on Conference has also omitted this element in the offense of unauthorized entry in a dwelling in the first degree and similarly intends that the presence of a person lawfully in the dwelling shall be a strict liability element. Further, your Committee on Conference intends that it shall not be necessary to prove that a defendant knew or had any reason to know that the person lawfully in the dwelling was sixty-two years of age or older, incapacitated, or disabled.

Your Committee on Conference also notes that the provisions regarding labor trafficking have been included in a separate measure.

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

- (1) Establishing a new offense of unauthorized entry in a dwelling in the first degree, as a class B felony, for the unauthorized entry in a dwelling if another person was, at the time of entry, lawfully present in the dwelling and who:
  - (A) Was sixty-two years of age or older;
  - (B) Was an incapacitated person; or
  - (C) Had a developmental disability;
- (2) Amending the offense of unauthorized entry in a dwelling by:
  - (A) Designating the offense as unauthorized entry in a dwelling in the second degree; and
  - (B) Repealing the element regarding reckless disregard of the risk that another person was lawfully present in the dwelling;
- (3) Deleting parts III and IV of the measure, relating to labor trafficking;
- (4) Changing the effective date to upon approval; and
- (5) 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. 1025, 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. 1025, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

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

Representatives Aquino, Keith-Agaran, Cullen, Ichiyama, Kawakami and Fontaine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Cullen, Ichiyama).

**Conf. Com. Rep. 33 on S.B. No. 1067**

The purpose of this measure is to clarify that the records and information in a defendant's adult probation record that relate to the defendant's:

- (1) Risk assessment and need for treatment services;
- (2) Past treatment received and risk assessments conducted; and
- (3) Therapeutic or rehabilitative treatments that benefitted the defendant,

may be provided to treatment service providers upon the screening for admission of the defendant into a program.

Your Committee on Conference finds that this measure will allow access by a substance abuse service provider to the results of an offender's risk/need profile as part of the provider's determination of the offender's admission into a treatment program. Currently, an offender's risk information is not provided to a service provider until after an offender is admitted to a program. However, offender risk information is needed to avoid mixing high-risk offenders with low-risk offenders. Because not all service providers provide high-risk offender treatment, the information is needed to match offenders with the most appropriate programs. Not having this risk information prior to admission means that a high-risk offender who is admitted to a low-risk program may be dismissed from the program. Additionally, the treatment plan developed for the offender may not address certain risk factors such that the offender does not receive programmed approaches that could have helped the offender cope with risk tendencies such as aggression and dominance.

Your Committee on Conference has amended this measure by inserting an effective date of 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. 1067, 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. 1067, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

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

Representatives Aquino, Rhoads, Brower, Cullen and Fontaine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 34 on S.B. No. 285**

The purpose of this measure is to provide access to telehealth services by requiring the Department of Human Services to allow the use of a mobile health van operated by a qualified provider.

Your Committee on Conference finds that providing adequate health care to certain rural areas of the State can be challenging. Your Committee on Conference further finds that utilizing a mobile health van equipped with telehealth capabilities will assist in the provision of vital services to QUEST and Medicaid members who reside in rural areas.

Your Committee on Conference additionally finds that Section 33 of Act 162, Session Laws of Hawaii 2009, appropriated \$350,000 for the purchase of a mobile medical van for medical services on the island of Hawaii. Kona Community Hospital is in the process of procuring the medical van. The Hospital has been working with Hawaii Medical Service Association, who has committed to help finance two years of operational costs.

Your Committee on Conference additionally finds that promoting innovative ideas and technologies that have the potential for improving quality and efficiency are important. However, your Committee on Conference notes that an evaluation component is also needed and that the Department of Human Services should be given the opportunity to assess the effectiveness of the mobile medical van telehealth pilot program. Determining whether the pilot program should be continued, expanded, or ended will increase the overall effectiveness of the program and encourage the prudent use of resources.

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

- (1) Clarifying the requirements of the mobile medical van telehealth pilot program, including ensuring that the mobile medical van shall be staffed by a primary care provider and equipped with certain telehealth capabilities;
- (2) Clarifying that the Department of Human Services shall not be required to cover patient self-referrals to providers outside of the mobile medical van telehealth pilot program;
- (3) Specifying that the Department of Human Services shall not be required to cover any new service;
- (4) Specifying that the mobile medical van program shall include a program operated by Kona Community Hospital through a partnership with a non-profit mutual benefit society operating in the State;
- (5) Deleting the requirement that the Department of Human Services submit a report to the Legislature prior to the convening of the Regular Sessions of 2012 and 2013 on the implementation of the mobile health van telehealth pilot program;
- (6) Requiring the Department of Human Services to assess the implementation of the mobile medical van telehealth pilot program at least six months but no later than twelve months after it begins operations;
- (7) Specifying what information should be included in the Department of Human Service's assessment;



- (8) Requiring the Department of Human Services to decide whether to continue, expand, or end the mobile medical van telehealth pilot program based on the results of the Department's assessment;
- (9) Changing the effective date to upon approval; and
- (10) 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. 285, 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. 285, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, Green, Kahele and Slom.

Managers on the part of the Senate.

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

Representatives Yamane, Mizuno, Morikawa, Herkes and Pine.

Managers on the part of the House.

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

**Conf. Com. Rep. 35 on S.B. No. 1394**

The purpose of this measure is to allow the Hawaii Public Housing Authority to enter into contracts with eligible developers to develop public housing projects in exchange for commercial space in the project.

Your Committee on Conference finds that this measure will expand the Hawaii Public Housing Authority's ability to develop new housing for the State's lowest income populations by enabling the agency to incentivize partnerships with market-rate housing developers. Your Committee on Conference also finds that these incentives for partnerships will improve the financial self-sufficiency of the Hawaii Public Housing Authority's developments.

Your Committee on Conference has amended this measure by changing the effective date 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 S.B. No. 1394, 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. 1394, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Dela Cruz, Ige and Slom.

Managers on the part of the Senate.

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

Representatives Chong, Chang, Har, Nakashima and Pine.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Nakashima, Pine).

**Conf. Com. Rep. 36 on S.B. No. 806**

The purpose of this measure is to:

- (1) Allow teacher and educational officer members of the Hawaii Teacher Standards Board who retire during a term to continue to serve the remainder of their term up to three consecutive three-year terms;
- (2) Add the timely payment of fees to the requirements for license renewal;
- (3) Extend the term of the renewable advanced license from five to ten years;
- (4) Allow the Hawaii Teacher Standards Board to develop a full career and technical education license for those with appropriate industry experience who meet certain criteria; and
- (5) Authorize the Hawaii Teacher Standards Board to be responsible for approving teacher education programs that have attained national accreditation from a teacher education program approved by the United States Department of Education and the Board.

Your Committee on Conference finds that that this measure will enhance the professionalism and stability of Hawaii's public school teachers.

Your Committee on Conference has amended this measure by:

- (1) Removing section 4 of this measure, which allowed the Hawaii Teacher Standards Board to approve teacher education programs that have attained national accreditation from a teacher education program approved by the United States Department of Education and the Board;
- (2) Adding language to allow for the automatic forfeiture of a teacher's license for failure to timely renew that license, pay all fees, or comply with any other requirements provided by law or administrative rule;
- (3) Clarifying that the payment of all fees shall be done in a timely manner to avoid the automatic forfeiture of a license; 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. 806, 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. 806, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, M. Lee, Belatti, Ito, C. Lee and Johanson.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. 37 on S.B. No. 1511**

The purpose of this measure is to:

- (1) Increase the maximum lease term for aquaculture operations from thirty-five to sixty-five years;
- (2) Authorize the Department of Transportation to designate certain public lands to be used for aquaculture and to enter into agreements with the Department of Land and Natural Resources and Department of Agriculture to dispose of the designated lands; and
- (3) Authorize the Department of Land and Natural Resources to exercise any power granted to it over the public lands designated for aquaculture by the Department of Transportation.

Your Committee on Conference finds that aquaculture leases currently have a statutory limit of thirty-five years with no option for renewal. Your Committee on Conference further finds that often times, project financing and private-sector loans require applicants to have longer terms than those allowed under the current statutes. Increasing aquaculture lease terms to sixty-five years and allowing aquaculture lessees who are in good standing to renew their leases encourage greater commercial aquaculture production in the State.

Your Committee on Conference has amended this measure by:

- (1) Removing section 2 of this measure, which authorizes the Department of Transportation to designate certain lands for aquaculture use and enter into agreements with the Department of Land and Natural Resources and the Department of Agriculture for the disposition of the lands;
- (2) Removing section 3 of this measure, which authorizes the Department of Land and Natural Resources to exercise any power granted to it over the lands designated for aquaculture by the Department of Transportation; and
- (3) Changing the effective date 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 S.B. No. 1511, 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. 1511, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Dela Cruz, Ige, Wakai and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Slom).

Representatives Chang, Tsuji, Souki, Har, Chong and Riviere.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Souki).

**Conf. Com. Rep. 38 on S.B. No. 1290**

The purpose of this measure is to amend from \$50,000,000 to an unspecified amount the limit on the amount the Department of Hawaiian Home Lands is currently authorized to borrow or guarantee on loans ("borrow or guarantee limit") in order to cover the Department's repayment guarantee requirements for its housing program.

Your Committee on Conference notes that, as initially introduced, this measure would raise the borrow or guarantee limit from \$50,000,000 to \$100,000,000, and enhance the Department's ability to deliver homesteads and home ownership opportunities to beneficiaries. Current loan guarantees are approximately \$30,000,000, with an additional \$16,800,000 in loans to be closed over the next six months, bringing the total very close to the current \$50,000,000 ceiling.

Your Committee on Conference has amended this measure accordingly, by:

- (1) Inserting a borrow or guarantee limit of \$100,000,000; and
- (2) Changing the effective date 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 S.B. No. 1290, 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. 1290, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Kidani, Kahele and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Hanohano, M. Oshiro, C. Lee, Mizuno and Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Mizuno, Ward).

**Conf. Com. Rep. 39 on S.B. No. 1331**

The purpose of this measure is to temporarily require the University of Hawaii to report projected cash flow and related estimates for certain special and revolving funds where unencumbered cash balances or cash deficits exceed an unspecified percentage of the previous fiscal year's expenditures.

Your Committee on Conference finds that this measure will result in improved efficiencies of, greater accountability of, and improved financial reporting from the University of Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the additional reporting requirements under this measure shall apply to funds with an unencumbered cash balance of \$1,000,000 or more or a cash deficit of \$1,000,000 or more at the end of the previous fiscal year, where the balance is greater than twenty-five percent of the previous fiscal year's expenditures; and
- (2) Making this measure effective 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. 1331, 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. 1331, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Nishimoto, Tokioka, Chong, Nakashima and Johanson.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 40 on S.B. No. 1347**

The purpose of this measure is to update the regulatory functions of the Public Utilities Commission by:

- (1) Requiring the Commission to accept any filing or application submitted by public utilities, motor carriers, and water carriers in either conventional paper document or electronic document format;
- (2) Authorizing the Commission to distribute, apportion, or allocate the costs and expenses of achieving the renewable portfolio standard among an electric utility and its affiliates;
- (3) Authorizing the utilization of automatic rate adjustment clauses to allow recovery by an electric utility and its affiliates of revenue requirement resulting from the distribution, apportionment, or allocation of costs and expenses of achieving the renewable energy standard; and
- (4) Authorizing the Attorney General to institute civil actions for recovery of fines for violation of restrictions on the operation of retail gasoline stations.

Your Committee on Conference finds that enabling the Commission to accept electronic documents will allow the Commission to function more efficiently. Further, this measure increases transparency by reducing delays in processing documents and making those documents and information about the current status of the Commission's actions available to the public. The actions of the Public Utilities Commission affect the public, not just rate-filers. Therefore, it is appropriate and important to ensure that the Commission is able to function efficiently and transparently.

Your Committee on Conference finds that the renewable portfolio standards law was enacted to accelerate the development of renewable resources, furthering the State's goal of energy independence. This measure will assist electric utility companies and their electric utility subsidiaries in meeting increased revenue requirements incurred when they aggregate to meet a renewable portfolio standard. This, in turn, will facilitate the development of renewable energy projects leading to a reduction in Hawaii's reliance on imported petroleum fuels and transitioning Hawaii to a renewable energy State.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Public Utilities Commission shall begin accepting original documents plus an electronic copy of any documents required to be filed with the Commission no later than July 1, 2011;
- (2) Deleting language authorizing the Public Utilities Commission to assess an electronic-document surcharge to recoup the cost of accepting electronic documents;
- (3) Specifying that the Public Utilities Commission shall adopt rules, which shall supersede the provisions of this measure upon final adoption of those rules, to facilitate the acceptance of electronic documents;

- (4) Specifying criteria to facilitate the acceptance of electronic documents which shall be in effect until the adoption of rules by the Public Utilities Commission;
- (5) Specifying that no later than July 1, 2013, the Public Utilities Commission shall accept any documents in either paper or electronic format;
- (6) Deleting provisions related to violations on restrictions on the operation of gasoline retail stations;
- (7) Insert language that requires the Public Utilities Commission to submit a report to the Legislature no later than twenty days prior to the convening of the 2012 Regular Session on its progress in implementing the electronic filing of documents and specifies the required elements of the report;
- (8) Inserting an effective date of July 1, 2011; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference finds that this measure, as amended, will facilitate transparent and efficient operations of the Public Utilities Commission.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1347, 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. 1347, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Coffman, M. Oshiro, Chong, Ito, Kawakami and Marumoto.  
Managers on the part of the House.  
Ayes, 7. Noes, none. Excused, none.

**Conf. Com. Rep. 41 on S.B. No. 1520**

The purpose of this measure is to add a new chapter in the Hawaii Revised Statutes to recognize the native Hawaiian people as the only indigenous, aboriginal, maoli people of Hawaii.

Your Committee on Conference has had a very difficult task – to consider and reconcile widely different concepts for Native Hawaiian recognition. The task did not begin on January 19, 2011, with the opening of the current legislative session; it began decades ago in the early days of the “Hawaiian Renaissance”. It began when a few courageous individuals saw injustice and stepped forward – not away from protests, confrontation, and for some, physical danger. Your Committee on Conference pays tribute to these leaders, to these ordinary people who accomplished extraordinary feats and took the first step in the process of Native Hawaiian recognition.

This measure is one more step in a journey, long overdue, but for your Committee on Conference, better late than never. This measure builds on the past, acknowledges present reality, and moves the process forward. It is intended to move in concert with the efforts by Senator Akaka and Hawaii’s Congressional Delegation to achieve federal recognition of Native Hawaiians. It is a commitment to acknowledging and recognizing the first people of Hawai’i, while preserving the diversity that has made Hawai’i home to so many.

Your Committee on Conference has greatly expanded the language in the new chapter in the Hawaii Revised Statutes, moving beyond a single statement of recognition, to the establishment of a process for Native Hawaiians to organize themselves as a step in the continuing development of a reorganized Native Hawaiian governing entity and, ultimately, the federal recognition of Native Hawaiians.

Your Committee on Conference has amended this measure accordingly, to:

- (1) Expand the findings and purpose section of the measure to include a history of the past efforts toward recognition of Native Hawaiians;
- (2) Establish the purpose of the new chapter to provide for and to implement the recognition of the Native Hawaiian people;
- (3) Establish a five-member Native Hawaiian Roll Commission, within the Office of Hawaiian Affairs for administrative purposes, to prepare and maintain a roll of qualified Native Hawaiians, and define a “qualified Native Hawaiian”;
- (4) Require the Governor, within 180 days of the effective date of this measure, to appoint the members of the Native Hawaiian Roll Commission from nominations submitted by qualified Native Hawaiians and qualified Native Hawaiian membership organizations, and clarify that a qualified Native Hawaiian membership organization includes an organization that has been in existence for at least ten years, and whose purpose has been and is the betterment of the conditions of the Native Hawaiian people;
- (5) Require four members of the five-member Native Hawaiian Roll Commission to reside in the four counties, with one member to serve at-large;
- (6) Require the Native Hawaiian Roll Commission to publish the roll to facilitate commencement of a convention for the purpose of organization;
- (7) Require the Governor to dissolve the commission after publication of the roll;
- (8) Clarify that the chapter shall not diminish rights or privileges enjoyed by Native Hawaiians;

- (9) Reaffirm the delegation of federal authority, governmental authority and power, and negotiations, and clarify that consistent with the policies of the State of Hawaii, the members of the qualified Native Hawaiian roll, and their descendants, shall be acknowledged by the State of Hawaii as the indigenous, aboriginal, maoli population of Hawaii;
- (10) Clarify that nothing in the new chapter established by this measure is intended to serve as a settlement of any claims or affect the rights of Native Hawaiian people under state, federal, or international law;
- (11) Clarify that the Hawaiian Homes Commission Act, 1920, shall be amended, subject to approval by the United States Congress, if necessary, to accomplish the purposes set forth in this Act;
- (12) Require the Office of Hawaiian Affairs to provide funding for the Native Hawaiian Roll Commission;
- (13) Require the Native Hawaiian Roll Commission, in cooperation with the Office of Hawaiian Affairs, to report to the Governor and the Legislature prior to the Regular Session of 2012 on the status of the preparation of the roll, related expenditures, and concerns or recommendations; and
- (14) Change the effective date from July 1, 2030, to upon approval.

In conclusion, your Committee on Conference urges the Office of Hawaiian Affairs to work with the Native Hawaiian Roll Commission by utilizing the current Kau Inoa Native Hawaiian registration list, with the approval of the individual registrants, to support the Native Hawaiian Roll Commission's purpose of preparing and maintaining a roll of qualified Native Hawaiians.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1520, 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. 1520, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Hee, Ige, Kahele and Solomon.

Managers on the part of the Senate.

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

Representatives Hanohano, Keith-Agaran, C. Lee, Chong, Jordan, B. Oshiro and Ward.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 3 (Chong, Jordan, Ward).

**Conf. Com. Rep. 42 on S.B. No. 742**

The purpose of this measure is to allow the State Fire Council to employ an Administrator and Administrative Assistant.

Your Committee on Conference finds that currently, the State Fire Council has one part-time Administrative Assistant position, and there is no statutory provision for the hiring of staff. The State Fire Council needs a full-time Administrator and an Administrative Assistant to assist the Council in carrying out its statutorily mandated duties to protect the public health and safety.

Your Committee on Conference has amended this measure by inserting an effective date of 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. 742, 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. 742, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Ige and Slom.

Managers on the part of the Senate.

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

Representatives Aquino, Rhoads, Cullen, Yamane and Fontaine.

Managers on the part of the House.

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

**Conf. Com. Rep. 43 on S.B. No. 1383**

The purpose of this measure is to permit the Hawaii 3R's School Repair and Maintenance Fund to receive monies transferred to it from the School-Level Minor Repairs and Maintenance Special Fund.

Your Committee on Conference finds that the backlog of repair and maintenance projects in Hawaii's public schools continues to be a concern. Since 2001, Hawaii 3R's has been highly effective in leveraging state dollars, saving the State an estimated \$36,700,000 in costs for school repairs and maintenance that otherwise would have been expended by the State. The imputed school repair and maintenance savings to the State is equal to more than \$12 worth of work completed for every \$1 of state funding expended. As federal funding becomes less available, this measure will support the continuation of Hawaii 3R's valuable work by allowing it to receive monies transferred to the Hawaii 3R's School Repair and Maintenance Fund from the School-Level Minor Repairs and Maintenance Special Fund.

Your Committee has amended this measure by making it effective 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. 1383, 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. 1383, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Takumi, M. Lee, Belatti and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 44 on S.B. No. 2**

The purpose of this measure is to facilitate the establishment of a comprehensive information system for inventorying and maintaining information about the lands of the public land trust described in section 5(f) of the Admission Act and article XII, section 4 of the Hawaii State Constitution.

Your Committee on Conference finds that the Department of Land and Natural Resources has already collected a substantial amount of information about lands that are in the public trust and established a database of information about these lands. The focus of this measure is the further study or review of the trust status of those lands to which other state agencies hold title and the disposition of those lands. This study or review will enable the Department of Land and Natural Resources to verify the accuracy of or make amendments to the trust status of those lands as indicated in the existing database.

Your Committee on Conference has amended this measure by:

- (1) Changing the source of the funds appropriated from the General Fund to the Land Conservation Fund and inserting an appropriation amount of \$275,000 for fiscal year 2011-2011 and \$85,000 for fiscal year 2012-2013;
- (2) Deleting the Office of Hawaiian Affairs matching funds requirement;
- (3) Changing the effective date to July 1, 2011; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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

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

Senators Dela Cruz, Kidani, Kahele, Solomon and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Hanohano, Chang, Har, Kawakami and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 45 on S.B. No. 23**

The purpose of this measure is to establish an 'Aha Kiole Advisory Council within the Department of Land and Natural Resources to advise the Office of the Chairperson of the Board of Land and Natural Resources and the Legislature on issues related to land and natural resource management.

Your Committee on Conference finds that indigenous resource management concepts related to land and natural resource management are necessary to guide the State in its stewardship of natural resources. Act 212, Session Laws of Hawaii 2007, created an 'Aha Kiole Advisory Committee to initiate a process to create a system of best practices that is based upon the indigenous resource management practice of moku (regional) boundary management, and this measure would synchronize these indigenous resource management concepts with the policy initiatives of the Executive and Legislative branches.

Your Committee on Conference has amended this measure by:

- (1) Providing that the 'Aha Kiole Advisory Council may serve in an advisory capacity to the Legislature in addition to the Office of the Chairperson of the Board of Land and Natural Resources;
- (2) Requiring the 'Aha Kiole Advisory Council to select an Executive Director;
- (3) Inserting an appropriation amount of \$64,500 from the Land Conservation Fund, rather than the General Fund, to fund the Executive Director position;
- (4) Changing the effective date of the measure to July 1, 2011; and
- (5) 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. 23, 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. 23, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Galuteria, Hee, Kahele, Ryan, Solomon and Slom.

Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, 2 (Hee, Slom).

Representatives Hanohano, Chang, M. Oshiro, Har, C. Lee and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (M. Oshiro, Ward).

**Conf. Com. Rep. 46 on S.B. No. 903**

The purpose of this measure is to preserve affordable rental housing units. Specifically, this measure:

- (1) Establishes an Affordable Rental Housing Development Program that authorizes private organizations to acquire expiring federal housing subsidy contracts; and
- (2) Requires nonprofit organizations that acquire expiring federal housing subsidy contracts to preserve affordable housing units in perpetuity.

Your Committee on Conference finds that the federal government helps support the production and availability of low-income rental housing by providing subsidies to private owners of multifamily housing, but that numerous federal rental subsidy contracts are set to expire in the near future. The cost of living in Hawaii has been and continues to be high, and public-private partnerships provide an effective way to preserve affordable rental housing. However, participation in the Affordable Rental Housing Development Program will be severely limited if private organizations are required to maintain affordable housing units in perpetuity.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the purpose of the measure and the Affordable Rental Housing Development Program is only to preserve affordable rental housing, without requiring that the preservation be maintained in perpetuity and deleting language requiring that any public housing project that is managed with state or county funds or acquired by a nonprofit organization remain affordable housing in perpetuity;
- (2) Clarifying that the number of affordable housing units in publicly funded public housing projects shall increase or remain the same, regardless of redevelopment or reconstruction for certain purposes;
- (3) Inserting language preventing the impairment of the State's ability to receive federal funds;
- (4) Changing the effective date to July 1, 2011; and
- (5) 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. 903, 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. 903, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Kidani, Chun Oakland, Solomon and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Representatives Chong, Jordan, Kawakami and Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pine).

**Conf. Com. Rep. 47 on S.B. No. 1154**

The purpose of this measure is to preserve the culturally and historically rich area of South Kona on the island of Hawaii by establishing the South Kona Wilderness Area to be administered by the Department of Land and Natural Resources.

Your Committee on Conference finds that the lands identified in this measure have limited development potential but immense historical, cultural, and recreational value for the citizens of Hawaii. The archaeological sites, native Hawaiian plants and animals, and historical aspects of these lands warrant protection and preservation to ensure that the current and future residents of Hawaii can enjoy the recreational opportunities and cultural and historical aspects afforded by these precious lands.

Your Committee on Conference has amended this measure by:

- (1) Making the establishment of the South Kona Wilderness Area on the island of Hawaii permanent and amending the purpose section accordingly;
- (2) Excluding the lands of Kapu'a from the South Kona Wilderness Area;
- (3) Clarifying that land use district boundaries existing as of July 1, 2011, shall continue in full force and effect within the South Kona Wilderness Area and that lands within the South Kona Wilderness Area shall not automatically be reclassified as lands within the state land use conservation district;
- (4) Limiting the prohibition on the construction of new homes or other structures and certain consolidations and subdivisions to government-owned land within the South Kona Wilderness Area, with certain exceptions, and deleting the exception for construction of dwellings with certain footprints;
- (5) Deleting language authorizing the Department of Land and Natural Resources to acquire lands using specified methods;

- (6) Amending the effective date to July 1, 2011; 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. 1154, 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. 1154, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, Galuteria, Kahele, Ige and Kim.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Ige, Kim).

Representatives Chang, Har, Evans, Herkes and Riviere.

Managers on the part of the House.

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

**Conf. Com. Rep. 48 on S.B. No. 1530**

The purpose of this measure is to authorize the Board of Land and Natural Resources to extend hotel, resort, commercial, and industrial leases for lessees who commit to making substantial improvements to the existing improvements.

Your Committee on Conference finds that improvements to hotel and resort infrastructure are important to the growth and expansion of Hawaii businesses and the enhancement of Hawaii's visitor infrastructure. Authorizing the extension of leases will give hotels and resorts incentives to reinvest in their properties, which will improve the hotel and resort industry throughout the State.

Your Committee on Conference has amended this measure by:

- (1) Eliminating the authorization for the Board of Land and Natural Resources to extend commercial and industrial leases of public land for lessees who commit to making substantial improvements to the existing improvements;
- (2) Inserting an effective date of July 1, 2011; 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. 1530, 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. 1530, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Dela Cruz, Ige, Solomon and Slom.

Managers on the part of the Senate.

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

Representatives Chang, Brower, Har, Kawakami, Nakashima, Tokioka, Tsuji and Riviere.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, 2 (Brower, Tokioka).

**Conf. Com. Rep. 49 on S.B. No. 1555**

The purpose of this measure is establish the Public Land Development Corporation to administer an appropriate and culturally-sensitive public land development program that makes optimal use of public lands for the economic, environmental, and social benefit of the people of Hawaii by:

- (1) Identifying the public lands that are suitable for development;
- (2) Conducting marketing analysis to determine the best revenue-generating programs for the public lands identified; and
- (3) Entering into public-private agreements to:
  - (A) Appropriately develop the public lands identified; and
  - (B) Provide leadership for the development, financing, improvement, or enhancement of the selected development opportunities.

Additionally, this measure provides for the rehabilitation of certain small boat harbor facilities, including the generation of new revenue from the use of such facilities.

Your Committee on Conference has amended this measure by:

- (1) Adding a definition of "development rights";
- (2) Amending the definition of "project facilities" to include improvements;
- (3) Clarifying the duties of the Public Land Development Corporation (Corporation);
- (4) Clarifying that permissible uses of public land pursuant to the new chapter shall include but not be limited to office space; vehicular parking; commercial uses; hotel, residential, and timeshare uses; fueling facilities; storage and repair facilities; and seawater air conditioning plants;



- (5) Clarifying that the Board of Directors of the Public Land Development Corporation shall consist of five voting members, and designating those members;
- (6) Clarifying the powers of the Corporation to authorize the Corporation to acquire or contract to acquire by grant or purchase:
  - (A) Privately owned real property together with improvements in excess of that needed for use in cases where justifiable cause necessitates the acquisition; and
  - (B) Encumbrances, in the form of leases, licenses, or otherwise;
- (7) Including leisure, recreational, commercial, residential, timeshare, hotel, office space, and business facilities as public land facilities that the Corporation may acquire, construct, operate, and maintain at rates or charges determined by the Corporation;
- (8) Deleting from the Corporation's powers the authority to carry out specialized programs designed to develop new markets for recreation and visitor-industry-related products;
- (9) Authorizing the Corporation to assume management responsibilities for existing contracts at small boat harbors upon full operation of the Corporation but no later than June 30, 2013;
- (10) Authorizing the Corporation to recommend to the Board of Land and Natural Resources the purchase of any privately owned properties that may be appropriate for development;
- (11) Providing that the Corporation shall not acquire, contract to acquire, own, hold, sell, assign, exchange, transfer, convey, lease, or otherwise dispose of, or encumber any real, personal, or mixed property that is owned by the Department of Land and Natural Resources as of July 1, 2011, except as expressly provided in the new chapter;
- (12) Providing that development rights of small boat harbors that have existing contracts or request for proposals shall not be transferred to the Corporation until the Corporation is able to assume the necessary negotiating, oversight, and management responsibilities, or until June 30, 2013, whichever occurs first;
- (13) Providing that if property to be developed is greater than two hundred acres, the transfer of development rights to the Corporation is subject to disapproval by the Legislature by a two-thirds vote of either chamber or a majority vote of both houses;
- (14) Providing that the Corporation may lease state lands from other public agencies, unless the lease would impair any covenant between the public agency and bond holders;
- (15) Providing that program reserves of the Hawaii public land development revolving fund shall not exceed eighty-five per cent, and that accumulated reserves shall be credited to the special land and development fund, except that reserves attributable to project facilities situated on small boat harbors shall be credited to the boating special fund;
- (16) Deleting Part II, Rehabilitation of Ala Wai Boat Harbor;
- (17) Authorizing the Hawaii Community Development Authority to assist the Corporation;
- (18) Amending the appropriation by:
  - (A) Changing the amount of the appropriation from unspecified to \$135,500;
  - (B) Appropriating the funds from the land conservation fund instead of the general revenues of the State; and
  - (C) Funding an additional staff position to provide for an Executive Director;
- (19) Inserting a severability clause;
- (20) Changing the effective date to July 1, 2011; and
- (21) 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. 1555, 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. 1555, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Ige, Galuteria, Kouchi, Solomon and Slom.

Managers on the part of the Senate.

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

Representatives Chang, Har, Tokioka and Riviere.

Managers on the part of the House.

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

**Conf. Com. Rep. 50 on S.B. No. 34**

The purpose of this measure is to amend the procedures for small claims heard in the Tax Appeal Court by:

- (1) Prohibiting pretrial discovery without the prior written approval of the Tax Appeal Court;
- (2) Limiting costs and fees that may be awarded to the prevailing party to fees paid directly to the Tax Appeal Court in the course of conducting the tax appeal at issue; and

- (3) Requiring that a notice of appeal from a decision involving a county as a party and a copy of the statement of the facts of the case that is filed by a protesting taxpayer to be served on the Real Property Assessment Division of the county involved.

Your Committee on Conference finds that while the small claims tax appeal process resolves disputes over small sums that are less than \$1,000 in an informal manner, existing rules allow pre-trial discovery even in these very small cases. Those taxpayers seeking a hearing may be inundated with voluminous written interrogatories, requests for admissions, demands for written disclosures of witness, and requests for depositions by opposing counsel. Taxpayers have no way to deal with matters like these because they are not likely to be represented by attorneys who are skilled in litigation techniques and who can therefore understand and respond to the requests.

Additionally, existing law could leave a taxpayer liable for all of the prosecuting entity's costs. For these small cases, the costs may dwarf the actual amount in dispute. Your Committee on Conference finds that this measure would clarify and limit the award of costs to those actually paid to the court, thereby leveling the playing field between taxpayers and the government.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2011; and
- (2) 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. 34, 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. 34, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige, Ihara, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Representatives B. Oshiro, M. Oshiro, Luke, McKelvey and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 51 on H.B. No. 1094**

The purpose of this bill is to bring Hawaii's commercial driver's license (CDL) laws into compliance with federal regulations by conforming the CDL law with Federal Motor Carrier Safety Regulations, and in the process preserve Hawaii's ability to receive federal funds. Among other things, this measure:

- (1) Adds the definitions of "commercial driver's license downgrade" and "commercial driver's license information system driver record" to the CDL statute;
- (2) Requires the examiner of drivers to verify the certification of a self-certified driver, date-stamp any current medical examiner's certificate submitted by a driver, and post all required information on the CDL Information System;
- (3) Changing the "V" restriction designation on a CDL from indicating that the driver is restricted from operating in interstate commerce to indicating that information concerning a medical variance is on the CDL Information System driver record;
- (4) Recodifying the original "V" restriction that restricts a driver from operating in interstate commerce to a "W" code;
- (5) Requiring the examiner of drivers to mark the CDL Information System driver record as "not-certified" and initiate a CDL downgrade if a driver fails to produce certain documents to the examiner of drivers;
- (6) Providing parameters for updating information and notification requirements for certain items concerning medical certification and medical variances for CDL drivers; and
- (7) Requiring the examiner of drivers to record and maintain certain medical information regarding CDL drivers.

Individuals who possess CDLs are held to stricter medical and licensing standards than individuals who hold a standard license to operate a motor vehicle. This is due, in part, to the type of vehicles CDL drivers operate, which generally involves large trucking and transportation vehicles. Having additional, more stringent restrictions on these drivers promotes highway safety. While the examiner of drivers currently has the authority to withhold driving privileges from a CDL holder for committing a violation or posing an immediate threat to highway safety, non-compliance with the medical requirements for a CDL does not constitute either a violation or an immediate threat. This measure will allow the examiner of drivers to impose this restriction from driving in these situations.

This measure also conforms Hawaii's CDL law with Federal Motor Carrier Safety Regulations. Failure to do so will result in the withholding of federal funds for every year the law is non-compliant. As Hawaii's State Highway Fund is presently facing revenue stream problems and budgetary shortfalls, a further loss of federal funds would be devastating.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1094, 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. 1094, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Representatives Souki, Rhoads, Cabanilla, Ito, Luke, Tsuji and Johanson.  
Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 3 (Ito, Luke, Tsuji).

**Conf. Com. Rep. 52 on H.B. No. 1241**

The purpose of this bill is to provide a more practicable timeframe within which abandoned vehicles may be reclaimed by extending the time period during which a legal and registered owner of an abandoned vehicle may repossess the vehicle before disposal from ten days to 20 business days after mailing of a written notice of the intended disposition of the vehicle.

Currently, an abandoned vehicle will be auctioned approximately 23 days after it is marked abandoned and towed, based on statutorily-established investigation, owner notification, and auction publication requirements. Unfortunately, this negatively impacts some vehicle owners. As the registered owners of some vehicles, in particular vehicles owned by rental car companies, are located on the mainland, it may be more than 23 days before the owners of these vehicles or local representatives for these companies are aware the vehicle is going to be disposed of. This measure attempts to address this issue.

As this problem mainly affects vehicles whose registered owners reside on the mainland, your Committee on Conference finds that it is prudent to amend this bill by applying the 20-business-day notification requirement only to vehicles whose registered owner resides out-of-state and maintaining the ten-day notification requirement for in-state registered owners.

Technical, nonsubstantive amendments have also been 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. 1241, 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. 1241, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Baker, Hee and Slom.

Managers on the part of the Senate.

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

Representatives Souki, Herkes, Rhoads, Luke and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 53 on H.B. No. 555**

The purpose of this bill is to amend the sentencing measures for defendants convicted of criminal property damage offenses when the property damage is caused by graffiti by:

- (1) Extending the area applicable to graffiti removal requirements to reach 250 yards of the site of the offense;
- (2) Limiting graffiti removal requirements to cases where the removal will not endanger the convicted person or others nor inconvenience the public; and
- (3) Allowing the court to impose a sentence of 100 hours of community service instead of the removal of graffiti in cases where the government agency that is responsible for supervising the graffiti removal lacks the necessary resources to ensure the person's compliance with removing the graffiti.

Your Committee on Conference has amended this bill by:

- (1) Making this measure effective upon approval; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 555, 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. 555, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Rhoads, Aquino, Brower and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 54 on H.B. No. 866**

The purpose of this bill is to help address challenges faced by the apiary industry in Hawaii by allowing beekeepers to register with the Department of Agriculture (DOA). This bill also appropriates funds to establish an apiary program within DOA.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation while retaining the provisions establishing the apiary program;

- (2) Changing its effective date to July 1, 2011; 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. 866, 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. 866, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kidani, Wakai and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Tsuji, Hashem, Evans and Riviere.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 55 on H.B. No. 319**

The purpose of this bill is to clarify that a property owner with an open owner-builder permit shall not be prohibited from selling or leasing the property within one year of the construction or improvement if the owner-builder suffers an unforeseen hardship which the owner-builder documents.

Your Committee amended this measure by clarifying the language to ensure that it reflects the purpose of this bill. Your Committee also changed its effective date 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. 319, 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. 319, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Ito, Luke and Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Luke).

**Conf. Com. Rep. 56 on H.B. No. 663**

The purpose of this bill is to require the clear and conspicuous disclosure of automatic renewal clauses and cancellation procedures for all consumer contracts and offers containing such provisions except in the case of the regulated activities of insurers and financial institutions subject to the Insurance Code and Code of Financial Institutions, respectively.

Your Committee on Conference has amended this measure by:

- (1) Exempting mutual and fraternal benefit societies and health maintenance organizations from these requirements;
- (2) Limiting penalties to knowing violations or knowingly failing to cancel an automatic renewal contract on the request of the consumer; and
- (3) Changing its effective date to "upon approval" with the substantive provisions taking effect on July 1, 2012.

As affirmed by the record of votes of the managers 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. 663, 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. 663, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Keith-Agaran, Brower, Evans and Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Brower, Marumoto).

**Conf. Com. Rep. 57 on H.B. No. 680**

The purpose of this bill is to strengthen the future of the Kakaako Makai area of Honolulu by, among other things:

- (1) Establishing the Kakaako Makai Community Development Subdistrict;
- (2) Amending the membership of the Hawaii Community Development Authority (HCDA) to include the Director of the Department of Planning and Permitting of the City and County of Honolulu; and
- (3) Allowing for a broader range of public input into the future of Kakaako Makai by repealing the requirement that the HCDA consider recommendations by the Kakaako Makai Community Planning Advisory Council (CPAC).

After careful consideration, your Committee on Conference has amended this bill by retaining only the provisions that repeal the requirement that HCDA consider recommendations by the CPAC.

As affirmed by the record of votes of the managers 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. 680, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 680, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Galuteria and Ryan.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Galuteria).

Representatives Chang, Har, Hashem, Ito, Nakashima and Riviere.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 58 on H.B. No. 931**

The purpose of this bill is to address the problems of:

- (1) Numerous vessels moored within small boat harbor facilities that rarely leave the harbor confines and offshore mooring areas; and
- (2) Derelict vessels occupying space in small boat harbors,

by adding a definition for the term “regularly navigated” under chapter 200, Hawaii Revised Statutes, to require vessels that are moored within small boat harbors or in offshore mooring areas to be moved under their own power at least once every six months.

After careful consideration, your Committee on Conference has amended this bill by changing the frequency of movement of a “regularly navigated” vessel from at least once every six months to at least once in a 90-day period.

As affirmed by the record of votes of the managers 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. 931, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 931, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Chang, Har, Tokioka and Riviere.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 59 on H.B. No. 227**

The purpose of this bill is to help protect owners of unimproved and unused land by, among other things:

- (1) Making entering or remaining unlawfully on unimproved or unused agricultural lands without permission the offense of criminal trespass in the second degree if the lands are fenced, enclosed, or secured, or if a sign that meets certain criteria is displayed to provide notice;
- (2) Deleting the statutory provision that a person who enters or remains on unimproved and apparently unused land that is not fenced or otherwise enclosed in a manner designed to exclude intruders, unless notice against trespass has been given, is allowed to be on the land and is not trespassing;
- (3) Including evidence of livestock-raising, such as cattle, horses, water troughs, shelters, or paddocks, as a characteristic of agricultural lands onto which unauthorized entry constitutes entering or remaining unlawfully on agricultural lands;
- (4) Making entering or remaining unlawfully on agricultural lands without permission a civil offense if the land is fenced, enclosed, or secured; is marked with a sign that meets certain criteria to provide notice; or is fallow or has a visible presence of livestock-raising or a crop;
- (5) Limiting the liability of agricultural landowners for any injury, death, loss, or damage suffered by a trespasser, with certain exceptions; and
- (6) Adding definitions for “agricultural land”, “fallow”, “owner”, “trespasser”, and “unimproved or unused lands”.

Your Committee on Conference has amended this bill by:

- (1) Simplifying the characteristics of agricultural lands onto which unauthorized entry constitutes criminal trespass in the second degree to lands that are fallow or have a visible presence of livestock or a crop at the time of entry; 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. 227, 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. 227, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Hee, Solomon, Kahele and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Chang, Tsuji, Keith-Agaran, Har, Nakashima, Tokioka and Riviere.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, 1 (Tokioka).

**Conf. Com. Rep. 60 on H.B. No. 985**

The purpose of this bill is to provide for the selection of the most qualified offerors for design-build contracts and to encourage the participation of Hawaii-based companies, including local small firms, in the design-build contract proposal process.

Your Committee on Conference finds that the current procurement process for design-build contracts requires offerors to prepare, in most instances, conceptual design drawings as part of their proposals. This requires a considerable initial investment and may prevent many local firms from submitting proposals for design-build contracts. As a result, purchasing agencies may experience a decrease in competition and an increase in prices, and may potentially be forced to sacrifice design and construction creativity.

The intent of your Committee on Conference is to improve the selection of proposals for construction projects and allow agencies to choose the most qualified offerors. In addition, the payment of a conceptual design fee would provide an incentive for smaller local firms to submit proposals and allow for the smaller local firms to more effectively compete with larger national design and construction firms for public contracts.

Your Committee on Conference has amended this measure by:

- (1) Inserting the contents of S.B. No. 779, S.D. 2, H.D. 2, Regular Session of 2011, which is substantially similar but makes the following amendments:
  - (A) Deletes language specifying that the design-build method shall be used only in contracts that have a high cost of preparing proposals;
  - (B) Deletes language referencing a second request for proposals to be issued to pre-qualified offerors;
  - (C) Inserts language requiring a request for proposals to be issued to prequalify offerors to select a short list of no more than three responsible offerors; and
  - (D) Deletes the savings clause;
- (2) Amending the definition of "design-build" to mean a project delivery method in which the procurement officer enters into a single contract for design and construction;
- (3) Clarifying that a conceptual design fee may be paid to non-selected offerors that submit a technically responsive proposal; provided that the cost of the entire project is greater than \$1,000,000;
- (4) Requiring criteria for pre-qualification of offerors, design requirements, development documents, proposal evaluation criteria, terms of the payment of a conceptual design fee, and any other pertinent information to be stated in the request for proposals;
- (5) Changing its effective date to July 1, 2011; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 985, 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. 985, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Ige, Kidani and Ryan.  
Managers on the part of the Senate.  
Ayes, 3, Ayes with Reservations (Ryan). Noes, 1 (Kidani). Excused, none.

Representatives McKelvey, Choy, Evans, Ichiyama and Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 61 on H.B. No. 117**

The purpose of this bill is to prudently facilitate development in Special Management Areas by:

- (1) Expediting and facilitating work on construction projects by allowing the Board of Land and Natural Resources (BLNR)--regardless of Part II of Chapter 205A, Hawaii Revised Statutes--to plan, design, construct, operate, and maintain any lands or facilities under its jurisdiction without the need to obtain a Special Management Area Minor Permit or Special Management Area Use Permit;
- (2) Amending the definition of "development" under the Special Management Areas law to exclude:

- (A) Construction of a single-family residence that is not part of a larger development, as long as a single-family residence that is situated on a Tax Map Key parcel that is subject to a shoreline setback is included within the definition of “development”; and
- (B) Preliminary or tentative subdivision approval;
- (3) Amending the definition of “Special Management Area Minor Permit” to mean an action by the applicable county authority authorizing development the valuation of which does not exceed \$500,000 and which has no substantial adverse environmental or ecological effect, taking into consideration potential cumulative effects;
- (4) Amending the definition of “Special Management Area Major Use Permit” to mean an action by the applicable county authority authorizing development the valuation of which exceeds \$500,000 or which may have a substantial adverse environmental or ecological effect, taking into consideration potential cumulative effects;
- (5) Allowing an agency authorized to issue permits pertaining to any development within the Special Management Area to authorize any development in accordance with the procedures adopted pursuant to the Special Management Areas law; and
- (6) Making it a violation of Special Management Area guidelines for the applicable county authority to approve a development unless the authority has provided adequate notice to the public.

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

- (1) Allowing BLNR--regardless of Part II of Chapter 205A, Hawaii Revised Statutes--to plan, design, construct, operate, and maintain any lands or facilities under the jurisdiction of the Division of Boating and Ocean Recreation of the Department of Land and Natural Resources without the need to obtain a Special Management Area Minor Permit or Special Management Area Use Permit;
- (2) Amending the definition of “development” under the Special Management Areas law to exclude:
  - (A) Construction or reconstruction of a single-family residence that is less than 7,500 square feet of floor area and is not part of a larger development; and
  - (B) Final subdivision approval;
- (3) Changing the name of the “Special Management Area Major Use Permit” back to the “Special Management Area Use Permit”;
- (4) Removing the provisions allowing an agency authorized to issue permits pertaining to any development within the Special Management Area to authorize any development in accordance with the procedures adopted pursuant to the Special Management Areas law;
- (5) Removing the provisions making it a violation of Special Management Area guidelines for the applicable county authority to approve a development unless the authority has provided adequate notice to the public;
- (6) Changing its effective date to July 1, 2011; 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. 117, 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. 117, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Gabbard and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Chang, Coffman, Keith-Agaran, Har, Ito and Riviere.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 62 on H.B. No. 1088**

The purpose of this bill is to authorize the Department of Public Safety to timely render involuntary medical treatment, including medication, if the court finds that:

- (1) The inmate or detainee poses a danger of physical harm to self or others;
- (2) Treatment with medication is medically appropriate; and
- (3) Considering less intrusive alternatives, treatment is essential to forestall the danger posed by the inmate or detainee.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1088, 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. 1088, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Aquino, Yamane, Cullen, Wooley and Fontaine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Wooley).

**Conf. Com. Rep. 63 on H.B. No. 1049**

The purpose of this bill is to update the Hawaii Insurance Code and related provisions.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1049, 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. 1049, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Chong, Hashem, Ito, Souki and Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Ito, Souki).

**Conf. Com. Rep. 64 on H.B. No. 909**

The purpose of this bill is to:

- (1) Require the family court, once a complaint for annulment, divorce, or separation is filed in this State, to:
  - (A) Order each of the parties to timely provide to the other party full financial and property disclosure on forms provided by the court; and
  - (B) Issue financial restraining orders;
 and
- (2) Specify that the unauthorized dissipation, if any, of the marital estate by either party shall be considered by the family court in issuing further support orders and when ordering payment of attorney's fees and costs.

Your Committee on Conference has amended this bill by:

- (1) Specifying that the concealment of or failure to disclose income or an asset, or violation of a restraining order issued under section 580-10(a) or (b), Hawaii Revised Statutes, if any, by either party rather than the unauthorized dissipation, if any, of the marital estate shall be considered by the family court in issuing further support orders and when ordering payment of attorney's fees and costs; and
- (2) Changing its effective date to October 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. 909, 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. 909, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Mizuno, B. Oshiro, Belatti, Jordan and Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Belatti).

**Conf. Com. Rep. 65 on H.B. No. 1005**

The purpose of this bill is to amend various sections of chapter 576D, Hawaii Revised Statutes, to bring the State law into compliance with federal law that requires the provision of child support services to certain tribal agencies and foreign countries by, among other things, defining "other state" in the State Child Support Enforcement Law to include certain tribal agencies and foreign countries.

Your Committee on Conference has amended this bill by making clarifying amendments to the information contained in the State's Case Registry relating to the names, addresses, and telephone numbers of the parents' employers.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1005, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1005, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Mizuno, B. Oshiro, Jordan, Cabanilla and Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Cabanilla).

**Conf. Com. Rep. 66 on H.B. No. 56**

The purpose of this bill is to clarify the process for a petition of grandparents' visitation rights by:

- (1) Permitting the family court to award grandparents reasonable visitation rights; provided that denial of reasonable visitation rights would cause significant demonstrable harm to the child;
- (2) Establishing a rebuttable presumption that a parent's decision regarding visitation is in the best interests of the child; and
- (3) Identifying factors that the family court shall consider when awarding grandparent visitation rights.

Your Committee on Conference has amended this bill by changing its effective date 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. 56, 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. 56, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Mizuno, B. Oshiro, Jordan and Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 67 on H.B. No. 1230**

The purpose of this bill is to exempt the construction of low-risk nonresidential temporary or permanent structures used for agricultural or aquacultural operations from county building permit requirements, under certain conditions.

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

- (1) Instead of low-risk nonresidential temporary or permanent structures, making the county building permit exemption applicable to non-residential structures;
- (2) Deleting definitions for "temporary" and "low-risk";
- (3) Making the provisions indemnifying the State against any liability resulting from the lack of building permits applicable to the counties;
- (4) Requiring the owner and/or occupier to obtain a certification from a duly qualified third party reviewer that certifies, in the reviewer's professional opinion, that the proposed building plans for the non-residential structure are in compliance with all applicable codes, rules, and requirements of the appropriate county planning and permitting department and the State;
- (5) Requiring the owner and/or occupier to submit the proposed building plans, indemnification and hold harmless attestation, and third party review certification to the appropriate county planning and permitting department;
- (6) Prohibiting the exemption unless the non-residential structure is constructed in accordance with the proposed building plan;
- (7) Establishing a limit of 1,500 square feet on the floor area of the non-residential structure and inserting a definition for "floor plan";
- (8) Establishing a minimum acreage requirement of at least three acres for the property upon which the non-residential structure is to be built;
- (9) Establishing reporting requirements related to this measure for the Hawaii Farm Bureau Federation and each county planning and permitting department;
- (10) Changing its effective date to July 1, 2011; and
- (11) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1230, 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. 1230, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Dela Cruz, Espero, Kahele, Kouchi and Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 2 (Kahele, Slom).

Representatives Tsuji, Chang, B. Oshiro, Hashem, Nakashima and Riviere.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, 1 (B. Oshiro).

**Conf. Com. Rep. 68 on H.B. No. 44**

The purpose of this bill is to establish a misdemeanor offense for solicitation of prostitution near schools or public parks if, within seven hundred fifty feet of a school or a public park, a person offers or agrees to pay a fee to another person to engage in sexual conduct.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2011; 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. 44, 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. 44, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Kim.

Managers on the part of the Senate.

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

Representatives Rhoads, Cabanilla, Ito, Souki and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 69 on H.B. No. 1520**

The purpose of this bill is to support the State's overall clean energy objectives by, among other things:

- (1) Directing the Public Utilities Commission (PUC) to consider implementing an on-bill financing program for residential electric utility customers to finance purchases of energy efficient or renewable energy devices and systems through their regular electric utility bills;
- (2) Specifying that all administrative costs of establishing an on-bill financing program shall be paid from the public benefits fee;
- (3) Requiring the PUC to determine a reasonable percentage of collected public benefits fees in any given year that shall be expended on an on-bill financing program;
- (4) Requiring the PUC to ensure that all reasonable costs incurred by electric utilities to start up and implement the on-bill financing program are recovered as part of the utility's revenue requirement; and
- (5) Directing the PUC to seek to address the problem of underinvestment in solar energy and energy efficiency in certain underserved markets when it considers implementing an on-bill financing program.

Hawaii is one of the most fossil fuel dependent states in the nation despite having some of the most diversified renewable energy options and sources in the world. Unfortunately, financial barriers often prohibit Hawaii residents and businesses from purchasing renewable energy systems or energy efficient devices. On-bill financing is one tool to promote the adoption of energy efficiency and renewable energy technology by overcoming the barrier of up-front costs.

While your Committee on Conference agrees that an on-bill financing program does have the potential to increase the use of energy efficient devices and the purchase of renewable energy technology, your Committee on Conference also finds that numerous questions remain regarding the implementation of such a program. Accordingly, your Committee on Conference has amended this bill by:

- (1) Requiring the PUC to investigate an on-bill financing program that would allow an electric utility company customer to purchase or otherwise acquire a renewable energy system or energy efficient device by providing for billing and payment of such a system or device through an assessment on the customer's electricity bill rather than requiring the PUC to consider implementing such a program;
- (2) Stipulating considerations the PUC may take into account when investigating the on-bill financing program;
- (3) Allowing the PUC to implement an on-bill financing program by decision and order or by rules pursuant to Chapter 91, Hawaii Revised Statutes, if on-bill financing is determined by the PUC to be viable;
- (4) Deleting language that:
  - (A) Specified that all administrative costs of establishing an on-bill financing program shall be paid from the public benefits fee;

- (B) Required the PUC to determine a reasonable percentage of collected public benefits fees in any given year to be expended on an on-bill financing program;
  - (C) Required the PUC to ensure that all reasonable costs incurred by electric utilities to start up and implement the on-bill financing program are recovered as part of the utility's revenue requirement; and
  - (D) Directed the PUC to seek to address the problem of underinvestment in solar energy and energy efficiency in certain underserved markets when it considers implementing an on-bill financing program;
- (5) Changing its effective date to July 1, 2011; 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. 1520, 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. 1520, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Coffman, Herkes, Ito, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Ito, Kawakami).

**Conf. Com. Rep. 70 on H.B. No. 1654**

The purpose of this bill is to terminate county conditional use permits for group living facilities or group homes if a permit is not put into use for one year following issuance or if a facility or home ceases operations for one year.

Your Committee on Conference amended this bill by making it effective upon approval and making technical, nonsubstantive amendments for clarity, conformity, 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. 1654, 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. 1654, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Espero and Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Yamane, Mizuno, Chang, Cabanilla and Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Cabanilla, Chang).

**Conf. Com. Rep. 71 on H.B. No. 484**

The purpose of this bill is to help ensure that advanced practice registered nurses are used to their full potential by:

- (1) Requiring each hospital in the State to allow licensed advanced practice registered nurses to practice within the full scope of their authorized practice, including as primary care providers;
  - (2) Removing statutory provisions governing prescriptive authority for qualified advanced practice registered nurses that require the:
    - (A) State Board of Nursing (Board) to determine an exclusionary formulary for qualified advanced practice registered nurses with prescriptive authority;
    - (B) Department of Commerce and Consumer Affairs (DCCA) to establish a Joint Formulary Advisory Committee that shall recommend the applicable formulary for qualified advanced practice registered nurses to the Board; and
    - (C) Board to adopt rules reflecting an appropriate working relationship between a qualified advanced practice registered nurse and a licensed physician;
- and
- (3) Authorizing qualified advanced practice registered nurses with prescriptive authority to request, receive, and dispense manufacturers' samples of over the counter and non-controlled legend drugs.

Your Committee on Conference has amended this bill by:

- (1) Reinserting statutory provisions governing prescriptive authority for qualified advanced practice registered nurses that require the:
  - (A) Board to determine an exclusionary formulary for qualified advanced practice registered nurses with prescriptive authority; and

- (B) DCCA to establish a Joint Formulary Advisory Committee that shall recommend the applicable formulary for qualified advanced practice registered nurses to the Board;

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. 484, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 484, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Herkes, M. Lee, Tsuji and Ching.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 72 on H.B. No. 597**

The purpose of this bill is to expand the definition of "quality assurance committee" to include interdisciplinary quality assurance committees composed of members from various health care organizations. The intent of this measure is to establish that the proceedings and records of interdisciplinary quality assurance committees composed of members from various health care organizations have similar protections as those committees formed by hospitals, health maintenance organizations, and statewide trauma care systems.

Your Committee on Conference heard concerns regarding the impact this bill may have on discoverable information. Your Committee on Conference asserts that this measure does not seek to change discovery rules; rather, the goal of this measure is to encourage collaborative discussions regarding health care policies, procedures, and practices. Accordingly, the expansion of the definition of "quality assurance committee" to include representatives of different groups of organizations does not alter the limited scope of confidentiality accorded in section 624-25.5 (c) and (d), Hawaii Revised Statutes. Quality assurance committees may not prevent discovery of otherwise discoverable information and material simply by using or considering the information or material in its proceedings.

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. 597, 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. 597, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Hee, Wakai and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Yamane, Rhoads, Morikawa, Wooley and Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Wooley, Ching).

**Conf. Com. Rep. 73 on H.B. No. 616**

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

- (1) Clarify that awards of visitation rights to parents may include visitation by electronic communication;
- (2) Establish factors that the court shall consider in awarding visitation by electronic communication; and
- (3) Authorize courts to set guidelines for visitation by electronic communication, including supervision as ordered by the court.

Your Committee on Conference has amended this bill by, among other things:

- (1) Generally incorporating its provisions in section 571-46, Hawaii Revised Statutes, relating to the criteria and procedure in awarding custody and visitation and the best interest of the child;
- (2) Requiring the court in its determination to award visitation by electronic communication to consider:
  - (A) The potential for abuse or misuse of the electronic communication; and
  - (B) Whether adequate provision can be made for the physical safety and psychological well-being of the child and for the safety of the custodial parent;
- (3) Prohibiting visitation by electronic communication to replace or substitute an award of custody or physical visitation except where physical visitation may subject the child to physical or extreme psychological harm, among other exceptions;
- (4) Changing its effective date to July 1, 2011; and
- (5) 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. 616, 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. 616, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Mizuno, B. Oshiro, Evans, Jordan and Ching.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 74 on H.B. No. 1003**

The purpose of this bill is to provide greater protection to victims of domestic violence by establishing first and second degree murder, second degree assault, and first degree terroristic threatening for a person who causes death or bodily injury to a person or threatens a person who:

- (1) The defendant has been restrained, by order of any court from contacting, threatening, or physically abusing pursuant to domestic abuse protective orders; or
- (2) Is being protected by a police officer ordering the defendant to leave the premises of that protected person during the effective period of the restraining order.

Additionally, this bill establishes that a person commits the offense of murder in the first degree if the person intentionally or knowingly causes the death of a person known by the defendant to be a witness in a family court proceeding and the killing is related to the person's status as a witness.

Your Committee on Conference has amended this bill by:

- (1) Removing language that establishes second degree murder for a person who recklessly causes the death of a person who:
  - (A) The defendant has been restrained from, by order of any court, contacting, threatening, or physically abusing pursuant to domestic abuse protective orders; or
  - (B) Is being protected by a police officer ordering the defendant to leave the premises of that protected person during the effective period of the restraining order;

and
- (2) Removing language specifying that second degree assault is established for a person who recklessly causes bodily injury to a person who:
  - (A) The defendant has been restrained from, by order of any court, contacting, threatening, or physically abusing pursuant to domestic abuse protective orders; or
  - (B) Is being protected by a police officer ordering the defendant to leave the premises of that protected person during the effective period of the restraining order.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1003, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1003, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hee, Fukunaga, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Slom).

Representatives Mizuno, Keith-Agaran, Jordan and Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 75 on H.B. No. 243**

The purpose of this bill is to address the inhumane conditions of the feral cat and stray dog population by prohibiting pet retailers from selling unsterilized cats or dogs.

Your Committee on Conference has amended this measure by:

- (1) Limiting the definition of an unsterilized cat or dog to a cat or dog that has not been spayed or neutered by a licensed veterinarian; 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. 243, 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. 243, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

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

Representatives Keith-Agaran, Ito, Luke, Souki and Thielen.  
Managers on the part of the House.  
Ayes, 2. Noes, 1 (Thielen). Excused, 2 (Ito, Souki).

**Conf. Com. Rep. 76 on H.B. No. 240**

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

- (1) Provide witnesses to cases involving promoting prostitution the highest priority to government security and protection;
- (2) Include the use of fraud to compel a person to engage in prostitution as an element of promoting prostitution in the first degree;
- (3) Increase the penalties for promoting prostitution in the first and second degrees to a class A and B felony respectively;
- (4) Amend promoting prostitution in the second degree to reflect the elements of promoting prostitution in the third degree;
- (5) Repeal the crime of promoting prostitution in the third degree;
- (6) Extend the offenses of prostitution and solicitation of prostitution to reach those who pay, agree to pay, or offer to pay a fee to another person to engage in sexual conduct;
- (7) Amend habitual solicitation of prostitution to apply to those who habitually pay, agree to pay, or offer to pay a fee to another person to engage in sexual conduct;
- (8) Raise habitual solicitation of prostitution to a class C felony; and
- (9) Make the provisions for the crime of habitual solicitation of prostitution permanent.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the elements of promoting prostitution in the first degree by adding inducing a person to act by specified means;
- (2) Broadening the definition of "fraud" as it relates to promoting prostitution in the first degree to mean simply making material false statements, misstatements, or omissions;
- (3) Changing its effective date to July 1, 2011; 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. 240, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 240, S.D. 1, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

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

Representatives Keith-Agaran, Ito, Luke, Rhoads, Souki and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Ito, Souki).

**Conf. Com. Rep. 77 on H.B. No. 141**

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

- (1) Establish a class A and B felony offense for labor trafficking;
- (2) Establish an offense for nonpayment of wages; and
- (3) Establish an offense for unlawful conduct with respect to documents.

Your Committee on Conference finds that Hawaii is one of only five states without a specific labor trafficking statute, yet labor trafficking has occurred at an unprecedented level in the State. Over this legislative session there has been lengthy discussion about several labor trafficking bills put forward for consideration. As explained in testimony submitted during the hearings, supplementing and enhancing current law by establishing specific offenses for labor trafficking will be beneficial to the prosecution of these crimes.

This measure will send an unmistakable warning to individuals and entities engaged in labor trafficking and provide a clearer and more structured means for law enforcement agencies to protect and aid victims of trafficking. Further, this measure will be a catalyst for law enforcement agencies, service providers, and other state agencies and community organizations to engage in needed training and education on labor trafficking.

Your Committee on Conference has amended this measure by:

- (1) Specifying that where extortion or kidnapping are used as a means to commit labor trafficking in the first degree, "labor" and "services" shall be as defined in the labor trafficking statute;
- (2) Removing any individual employed by the individual's parent to work for hire from the definition of "employee";
- (3) Requiring the Attorney General to report to the Legislature before the 2014 legislative session; 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. 141, 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. 141, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

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

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

**Conf. Com. Rep. 78 on H.B. No. 1138**

The purpose of this bill is to:

- (1) Establish a lien in favor of certified shorthand reporter to be imposed on the assets of an attorney's firm, partnership, corporation, company, or other legal entity for outstanding debts for services rendered;
- (2) Include arbitration in those proceedings to which attorney's liens may be attached; and
- (3) Eliminate the one-year filing deadline for liens.

Your Committee on Conference has amended this measure by:

- (1) Deleting those portions of the bill that extended attorney's liens to include arbitration proceedings and removed the one year deadline for filing;
- (2) Changing its effective date to July 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. 1138, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1138, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kidani, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Keith-Agaran, Luke, B. Oshiro and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 79 on H.B. No. 1071**

The purpose of this bill is to require the Department of Health to:

- (1) Establish and monitor a fitness restoration program consistent with the conditions set by a court order of release when a defendant is released on conditions after a finding of unfitness to proceed; and
- (2) Inform the prosecuting attorney of the county that charged the defendant of the program and report the defendant's compliance therewith.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2011, and 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. 1071, 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. 1071, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Espero, Hee and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Keith-Agaran, Yamane, Morikawa, Ito, B. Oshiro, Souki and Thielen.  
Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 3 (Ito, Souki, Yamane).

**Conf. Com. Rep. 80 on H.B. No. 593**

The purpose of this bill is to require that any candidate for elective county office file a sworn certification by self-subscribing oath by the candidate that the candidate has complied with the relevant provisions of the applicable county charter and county ordinances pertaining to elected officials.

Your Committee on Conference has amended this bill by changing its effective date 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. 593, 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. 593, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Kim.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Keith-Agaran, Luke, McKelvey and Fontaine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McKelvey).

**Conf. Com. Rep. 81 on H.B. No. 716**

The purpose of this bill is to amend specified election deadlines in conformity with Act 126, Session Laws of Hawaii 2010, which changed the date of the State's primary election to comply with the National Defense Authorization Act for Fiscal Year 2010, P.L. 111-84, mandating the mailing of absentee ballots to uniformed and overseas voters no later than 45 days prior to elections for federal offices.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2011; 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. 716, 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. 716, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Brower, Luke, B. Oshiro and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 82 on H.B. No. 747**

The purpose of this bill is to remove the definition of "convenience minimarts" as a neighborhood "mom and pop store" from section 281-31, Hawaii Revised Statutes, which addresses liquor liability insurance requirements for certain liquor licensees.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2011; 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. 747, 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. 747, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Herkes, Evans, McKelvey and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (McKelvey).

**Conf. Com. Rep. 83 on H.B. No. 1155**

The purpose of this bill is to:

- (1) Specify which Class A and B felonies require mandatory minimum prison terms under the repeat offender statute; and



- (2) Reinstate, add, and delete certain Class C felonies that require mandatory minimum prison terms under the repeat offender statute.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1155, 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. 1155, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Hanohano, B. Oshiro, Souki and Marumoto.  
Managers on the part of the House.  
Ayes, 4, Ayes with Reservations (Marumoto). Noes, none. Excused, 1 (Souki).

**Conf. Com. Rep. 84 on H.B. No. 945**

The purpose of this bill is to implement the minimum student school year and instructional hours requirements established under Act 167, Session Laws of Hawaii 2010 (Act 167) in a feasible and fiscally responsible manner by:

- (1) Exempting multi-track schools from the requirements of Act 167;
- (2) Delaying the implementation of Act 167 for three years;
- (3) Requiring the Department of Education (DOE) to re-examine what constitutes student instructional hours, determine current levels of instructional hours at each school, and assess the ability of all schools to comply with the requirements of Act 167, and to report its findings to the Legislature prior to the 2012 Regular Session; and
- (4) Requiring DOE, with the Board of Education (BOE) and the Governor, to consult with representatives of affected public worker collective bargaining units and report to the Legislature annually prior to the Regular Sessions of 2013 through 2018 on the progress and efforts to meet the requirements of Act 167.

Your Committee on Conference has amended this bill by:

- (1) Requiring all schools to implement a school year of 180 instructional days beginning with the 2011-2013 school years;
- (2) Requiring 50 percent of elementary schools in the State, excluding charter schools and multi-track public schools, to implement a school year of 915 student instructional hours for the 2011-2012 school year;
- (3) Requiring all elementary schools in the State, excluding charter schools and multi-track public schools, to implement a school year of 915 student instructional hours beginning with the 2012-2013 school year;
- (4) Permitting BOE to grant a waiver to any individual school subject to the student instructional hours or 180 day school year requirements and requiring BOE to adopt policies and procedures to grant the waiver;
- (5) Requiring DOE's report on what constitutes student instructional hours to be submitted by September 1, 2011, rather than 20 days prior to the convening of the 2012 Regular Session; 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. 945, 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. 945, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Kidani and Nishihara.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Takumi, M. Lee, Belatti, Har and Johanson.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 85 on H.B. No. 4**

The purpose of this bill is to help ensure educational stability and transferability for the children of military personnel who transfer to Hawaii by making permanent the Interstate Compact on Educational Opportunity for Military Children (Compact). This bill also amends the Compact by, among other things, clarifying military representation on the State Council on Educational Opportunity for Military Children (State Council) within the Board of Education.

Your Committee on Conference has amended this bill by:

- (1) Replacing the Executive Branch representative on the State Council with the Governor or the Governor's designee; 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. 4, 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. 4, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Espero, Kidani, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Takumi, Aquino, Cullen and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 86 on H.B. No. 739**

The purpose of this bill is to:

- (1) Amend the definition of "community care foster family home" to include the requirements that:
  - (A) Community care foster family homes be certified and in operation for at least one year prior to being certified for a third client; and
  - (B) The substitute caregiver be a Nurse Aide (NA) who has completed a minimum of 12 hours of continuing education every calendar year and the primary caregiver be a Certified Nurse Aide (CNA) for community care foster family homes certified for a maximum of three clients;

and
- (2) Require a community care foster family home to:
  - (A) Individually name each substitute caregiver on its liability insurance policy; and
  - (B) Ensure that the following are current and made available for inspection by the Department of Human Services (DHS) and the clients of the community care foster family homes:
    - (i) Proof that a substitute caregiver possesses the requisite skills to qualify as a NA; and
    - (ii) Proof of certifications for CNAs.

Your Committee on Conference finds that DHS has indicated an interest in working with the Office of Language Access to assist NAs and CNAs with test-taking and continuing education.

Your Committee on Conference has amended this bill by:

- (1) Specifying that for community care foster family homes certified for a maximum of three clients, the substitute caregiver must be an NA who has completed a state-approved training program and other training as required by DHS;
- (2) Removing provisions that require a community care foster family home to:
  - (A) Individually name each substitute caregiver on its liability insurance policy; and
  - (B) Ensure that the following are current and made available for inspection by DHS and the clients of the community care foster family homes:
    - (i) Proof that a substitute caregiver possesses the requisite skills to qualify as a NA; and
    - (ii) Proof of certifications for CNAs;
- (3) Requiring DHS to adopt rules relating to various requirements, including caregiver age and continuing education, absence and presence of primary caregivers in community care foster family homes, and work experience for substitute caregivers caring for three clients in community care foster family homes;
- (4) Requiring DHS to evaluate the implementation of the provisions of this bill and provide a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2012;
- (5) Changing its effective date to July 1, 2011, with a repeal date of June 30, 2013; 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. 739, 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. 739, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ihara and Slom.  
Managers on the part of the Senate.

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

Representatives Mizuno, M. Lee, Hashem and Pine.  
Managers on the part of the House.

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

**Conf. Com. Rep. 87 on H.B. No. 605**

The purpose of this bill is to establish the Reduced Ignition Propensity Cigarette Program Special Fund as a mechanism for the State Fire Council to fund administrative staff positions and carry out the duties of the Reduced Ignition Propensity Cigarette Program.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the full-time administrator and full-time assistant within the State Fire Council shall, among their duties:
  - (A) Receive certifications for approximately 600 different brands and styles of cigarettes from the manufacturers;
  - (B) Compile a list of the cigarette brands and styles for which manufacturers have submitted certifications, verify tax stamp compliance with the Department of the Attorney General, and post the list of certified brands and styles on a state website for informational purposes only; and
  - (C) If needed, submit certified cigarettes to an accredited laboratory for testing to verify that performance standards have been met; 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. 605, 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. 605, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kidani and Ryan.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Aquino, Cullen, Morikawa, Yamane and Fontaine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Yamane).

**Conf. Com. Rep. 88 on H.B. No. 1085**

The purpose of this bill is to amend the State's controlled substances law.

Specifically, this measure:

- (1) Makes the Hawaii statutes on controlled substances consistent with federal laws on controlled substances;
- (2) Adds substances of concern to the list of controlled substances that must be electronically reported to Hawaii's electronic prescription monitoring program; and
- (3) Increases the fee for the registration certificate for qualifying patients for the medical use of marijuana.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the fee charged for registration certificates to qualifying patients for the medical use of marijuana is not to exceed \$35;
- (2) Changing its effective date to July 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. 1085, 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. 1085, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kidani and Shimabukuro.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Aquino, Keith-Agaran, Cullen, Yamane and Fontaine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 89 on H.B. No. 1052**

The purpose of this bill is to adopt amendments to provisions of the Insurance Code relating to surplus lines insurance to comply with the federal Nonadmitted and Reinsurance Reform Act of 2010 and to participate in a multistate cooperative to collect and distribute surplus lines insurance premium taxes and fees among compact members.

Your Committee on Conference amended this bill by changing the effective date to June 1, 2011, and making technical, nonsubstantive amendments for 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. 1052, 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. 1052, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Keith-Agaran, Chong, Ito, Souki and Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Keith-Agaran, Souki).

**Conf. Com. Rep. 90 on H.B. No. 1079**

The purpose of this bill is to protect Hawaii's threatened and endangered species by:

- (1) Authorizing the Department of Land and Natural Resources (DLNR) to collect fees to cover the costs of their Habitat Conservation Technical Assistance Program, which assists landowners in the development, review, and monitoring of habitat conservation plans;
- (2) Requiring DLNR to adopt rules for the establishment of the fees; and
- (3) Providing for the fees to be deposited into the Endangered Species Trust Fund.

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

- (1) Allowing DLNR to collect fees and payment for costs incurred for use of the Habitat Conservation Technical Assistance Program in the development, review, or monitoring of a specific habitat conservation plan;
- (2) Specifying that the fees will be charged at an hourly rate of \$50;
- (3) Specifying that the fees and payment for costs collected by DLNR must be deposited into the Endangered Species Trust Fund; 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. 1079, 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. 1079, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon and Kidani.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Kidani).

Representatives Chang, Har, Ito, Tokioka and Riviere.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. 91 on H.B. No. 1000**

The purpose of this bill is to clarify and update the Enhanced 911 Law, Chapter 138, Hawaii Revised Statutes.

Specifically, this measure, among other things:

- (1) Renames the Wireless Enhanced 911 Board the Enhanced 911 Board (Board);
- (2) Expands the Board's membership from eleven to 13 to include an additional representative from the City and County of Honolulu and a representative of a provider of voice over internet protocol communications service;
- (3) Expands the monthly enhanced 911 surcharge to all communication service connections, except those provided by the public utility providing land line enhanced 911 services;
- (4) Expands the authority of the Board to make expenditures from the Enhanced 911 Fund from those necessary to recover the cost of providing wireless enhanced 911 service to include expenditures for sustaining current enhanced 911 service and funding future technologies;
- (5) Permits the public utility providing land line enhanced 911 services to retain the land line enhanced 911 service surcharge authorized by section 269-16.95, Hawaii Revised Statutes;
- (6) Prohibits the Board from retaining an accounting firm, consultant, or other third party if the third party has a conflict of interest;
- (7) Extends the State's limitation of liability with regard to provision of enhanced 911 services to accounting firms, consultants, or other third parties retained by the Board; and

(8) Authorizes the Board to adopt administrative rules pursuant to Chapter 91, Hawaii Revised Statutes.

Your Committee on Conference has amended this measure by:

- (1) Adding the definition of “911 coordinator”;
- (2) Adding the definition of “911 service”;
- (3) Changing its effective date to July 1, 2011; 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. 1000, 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. 1000, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Fukunaga and Kidani.

Managers on the part of the Senate.

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

Representatives Aquino, Herkes, Cullen, Ichiyama and Fontaine.

Managers on the part of the House.

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

**Conf. Com. Rep. 92 on H.B. No. 688**

The purpose of this bill is to create a safe and civil learning environment for all students in public schools by, among other things, requiring the Board of Education (BOE) to:

- (1) Monitor the Department of Education (DOE) for compliance with administrative rules or statutes governing bullying, cyberbullying, and harassment; and
- (2) Establish reporting requirements by which DOE can report on its compliance to BOE.

Your Committee on Conference notes that while this bill is specifically tailored to address bullying within the public school system, the issue is pervasive throughout society as a whole and it is incumbent on the Legislature to consider the subject within that context. It is your Committee on Conference’s intent to take up the subject with a more universal emphasis during the interim, including consideration of broader offenses and specific consequences and penalties for those who engage this type of negative behavior.

Your Committee on Conference has amended this bill by:

- (1) Removing definitions for “bullying”, “cyberbullying”, and “harassment”;
- (2) Specifying that “bullying”, “cyberbullying”, and “harassment”, as used in the bill, will have the same meaning as in any Department of Education administrative rules or statutes governing bullying, cyberbullying, and harassment;
- (3) Changing its effective date to July 1, 2011; 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. 688, 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. 688, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Hee, Kidani, Kouchi and Slom.

Managers on the part of the Senate.

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

Representatives Takumi, B. Oshiro, M. Lee, Awana, Saiki and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 93 on H.B. No. 491**

The purpose of this bill is to require the Department of Public Safety to seek and obtain accreditation for the Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc.

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. 491, 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. 491, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Ige, Kim and Slom.

Managers on the part of the Senate.

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

Representatives Aquino, Cullen, Awana, Saiki and Fontaine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Saiki).

**Conf. Com. Rep. 94 on H.B. No. 423**

The purpose of this bill is to help to reduce the State's dependence on fossil fuels, its need for increased landfill space, and costs associated with transportation and disposal of waste, including organic feedstock and tires, by authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$40,000,000 to assist Carbon Bio-Engineers, Inc., or a partnership in which Carbon Bio-Engineers, Inc. is a general partner, with the establishment of cogeneration and related energy-production facilities at various locations in the State.

Your Committee on Conference has amended this bill by changing its effective date 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. 423, 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. 423, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Coffman, Kawakami, Chong, Ichiyama and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Chong).

**Conf. Com. Rep. 95 on H.B. No. 855**

The purpose of this bill is to assist in the development of clean and renewable energy by authorizing the issuance of up to \$25,000,000 in special purpose revenue bonds to assist Pacific Power and Water Company, Inc., in the development of hydropower facilities in Hawaii.

Your Committee on Conference has amended this bill by changing its effective date 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. 855, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 855, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Coffman, Kawakami, Ichiyama and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 96 on H.B. No. 1286**

The purpose of this bill is to help increase the availability of energy in the form of electricity or biofuels by authorizing the issuance of up to \$100,000,000 in special purpose revenue bonds to assist BioEnergy Hawaii, LLC, in establishing a cogeneration facility and related energy production facilities for electrical output or biofuels energy, or both.

Your Committee on Conference has amended this bill by changing its effective date 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. 1286, 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. 1286, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Coffman, Kawakami, Evans and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 97 on H.B. No. 301**

The purpose of this bill is to require fees prescribed by the Hawaii Supreme Court for electronic document certification, electronic copies of documents, and for providing bulk access to electronic court records and compilations of data to be deposited into the Judiciary Computer System Special Fund.

Your Committee on Conference has amended this measure by changing its effective date 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. 301, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 301, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Choy, Brower, Luke, Tokioka and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Tokioka).

**Conf. Com. Rep. 98 on H.B. No. 545**

The purpose of this bill is to require the Chief Election Officer to create, implement, and maintain an electronic system for voter registration that is publicly available on the website of the Office of Elections.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2011; 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. 545, 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. 545, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Keith-Agaran, Choy, B. Oshiro and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 99 on H.B. No. 828**

The purpose of this bill is to:

- (1) Require that those businesses conducting more than ten taxable transactions per day in cash must offer a receipt or other record and maintain a contemporaneously generated record of all business transactions whether generated by hand or cash register;
- (2) Provide that where the violator is otherwise in compliance with Title 14, Hawaii Revised Statutes, relating to taxation, the fine imposed shall be as determined by the Department of Taxation; and
- (3) Repeal the current provision prohibiting businesses from conducting more than ten taxable business transactions per day in cash without recording the transaction in a cash register, if available.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2011; 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. 828, 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. 828, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Hee, Ige and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Keith-Agaran, Choy, Chong and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 100 on H.B. No. 838**

The purpose of this bill is to allow the Reapportionment Commission to complete its work by:

- (1) Funding five full-time, temporary positions in the Office of Elections to provide support to the Reapportionment Commission; and
- (2) Providing funds for the functions of the Reapportionment Commission, Office of Elections, and the Elections Commission in regards to reapportionment.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 103, requested immediate consideration and passage of this bill by the Legislature.

Your Committee on Conference has amended this measure by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 838, 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. 838, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Keith-Agaran, M. Oshiro, Evans, C. Lee, B. Oshiro and Thielen.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, 1 (B. Oshiro).

**Conf. Com. Rep. 101 on S.B. No. 1089**

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 that does not provide its employees and the Director of Labor and Industrial Relations sufficient written notification of a closing, divesture, partial closing, or relocation of the employer's covered establishment.

Your Committee on Conference finds that, under current law, when an employer of a covered establishment does not provide sufficient written notification of a closing, divesture, partial closing, or relocation of the employer's covered establishment, an aggrieved worker can enforce the penalties provided in the law against the violating employer only by filing a claim in court, which subjects the worker to expenses and delays that ultimately serve as a disincentive to the worker to assert that worker's rights under the law. The Department of Labor and Industrial Relations is in a far better position to enforce the notification law.

Your Committee on Conference has amended this measure by:

- (1) Deleting the language stating that the authorization for the Department of Labor and Industrial Relations to enforce the dislocated employees shall be "[n]otwithstanding any law to the contrary" because that provision is overly broad;
- (2) Making a conforming amendment to section 371-12, Hawaii Revised Statutes, relating to the powers and duties of the Department of Labor and Industrial Relations, to clarify that the Department of Labor and Industrial Relations shall have the duty to enforce the provisions of section 394B-9, Hawaii Revised Statutes, regarding dislocated workers;
- (3) Changing the effective date to July 1, 2011; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1089, 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. 1089, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Kim.

Managers on the part of the Senate.

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

Representatives Rhoads, McKelvey, Keith-Agaran, M. Oshiro, Choy, Yamashita and Johanson.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, 1 (McKelvey).

**Conf. Com. Rep. 102 on S.B. No. 1328**

The purpose of this measure is to:

- (1) Increase the annual motor vehicle registration fee from \$25 to \$45 and to increase the portion thereof that is deposited into the state highway fund from \$20 to \$40; and
- (2) Make an unspecified appropriation for each fiscal year of the next fiscal biennium out of the state highway fund for expenditure by the Department of Transportation for the operations and maintenance of the state highway system.

Your Committee finds that the Department of Transportation must provide a safe, efficient, and effective land transportation system for the movement of people and goods. However, the maintenance of state highways has not kept pace with the State's growing economy, land use development patterns, and increased demand for travel. Land transportation programs and projects will continue to deteriorate as demand for travel continues to increase. Concomitantly, the costs to manage, construct, and administer the transportation system continue to increase.



This measure improves the Department of Transportation's ability to construct, operate, and maintain the state highway system, including funding capital improvement projects and special maintenance programs. Failure to maintain state highways could bring a loss in federal funding for highways, including state matching funds for highway federal-aid programs.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation for the operations and maintenance of the state highway system, as that is included in the state budget; and
- (2) Changing the effective date 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 S.B. No. 1328, 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. 1328, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Ige, Kouchi, Galuteria and Kahele.

Managers on the part of the Senate.

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

Representatives Souki, M. Oshiro, Yamashita and Riviere.

Managers on the part of the House.

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

**Conf. Com. Rep. 103 on S.B. No. 1329**

The purpose of this measure is to increase the annual State vehicle weight tax for the various weight categories of vehicles, and to make an unspecified appropriation for each fiscal year of the next fiscal biennium to fund the operation and maintenance of the state highway system.

Your Committee on Conference finds that the Department of Transportation must provide a safe, efficient, and effective land transportation system for the movement of people and goods. However, the maintenance of state highways has not kept pace with the State's growing economy, land use development patterns, and increased demand for travel. Land transportation programs and projects will continue to deteriorate as demand for travel continues to increase. Concomitantly, the costs to manage, construct, and administer the transportation system continue to increase.

This measure improves the Department of Transportation's ability to construct, operate, and maintain the state highway system, including funding capital improvement projects and special maintenance programs. Failure to maintain state highways could result in a loss of federal funding for highways, including state matching funds for highway federal-aid programs.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation to fund the operation and maintenance of the state highway system, as that is included in the state budget; and
- (2) Inserting an effective date of 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. 1329, 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. 1329, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Ige, Kouchi, Galuteria and Kahele.

Managers on the part of the Senate.

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

Representatives Souki, M. Oshiro, Yamashita and Riviere.

Managers on the part of the House.

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

**Conf. Com. Rep. 104 on S.B. No. 163**

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) Correcting 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. 163, 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. 163, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives M. Oshiro, M. Lee and Ward.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 105 on S.B. No. 52**

The purpose of this measure is to:

- (1) Include within the definition of “sexual offense” for purposes of requiring registration as a sex offender, the following offenses:
  - (A) Promoting prostitution in the first degree pursuant to section 712-1202(1)(a), Hawaii Revised Statutes;
  - (B) Promoting prostitution in the second degree pursuant to section 712-1203(1), Hawaii Revised Statutes; and
  - (C) Violation of privacy in the first degree pursuant to section 711-1110.9, Hawaii Revised Statutes;
- (2) Add the offense of violation of privacy in the first degree pursuant to section 711-1110.9, Hawaii Revised Statutes, to the list of Tier 1 offenses for purposes of determining the length of time an offender would need to register; and
- (3) Apply the amendments regarding violation of privacy in the definition of “sexual offense” retroactively to any person convicted of or charged with that offense.

Your Committee on Conference finds that the offense of violation of privacy in the first degree involves the installation or use of “any device for observing, recording, amplifying, or broadcasting another person in a stage of undress or sexual activity in that place.” The statute clearly prohibits sexual misconduct, and the legislative history of section 711-1110.9, Hawaii Revised Statutes, confirms a specific legislative intent to address misconduct of a sexual nature. Therefore, the inclusion of this offense within the group of offenses that are subject to sex offender registration is logical.

Your Committee on Conference notes that section 846E-10(c), Hawaii Revised Statutes, designates certain offenses as Tier 2 offenses and provides the time period for which an offender must register when convicted of a specific offense. The list of Tier 2 offenses includes section 712-1203(1)(b), Hawaii Revised Statutes; however, section 712-1203, Hawaii Revised Statutes, was amended by Act 147, Session Laws of Hawaii 2008, as described more fully below, and the current version of section 712-1203, Hawaii Revised Statutes, does not contain a subsection (1)(b). Due to the effect that repealing the reference to section 712-1203(1)(b) may have on the length of time an offender must register, your Committee on Conference believes that Act 147 should be referenced in conjunction with the obsolete statutory reference.

Act 147 (2008) amended section 712-1203, Hawaii Revised Statutes, to repeal the conduct described in section 712-1203(1)(b), Hawaii Revised Statutes, promoting prostitution in the second degree, which consisted of knowingly advancing or profiting from prostitution of a person less than eighteen years old. Prior to Act 147’s enactment, section 712-1202, Hawaii Revised Statutes, promoting prostitution in the first degree, contained a similar prohibition, but concerned the prostitution of persons less than sixteen years of age. Act 147 (2008) amended the offense of promoting prostitution in the first degree to revise the age of the victim from less than sixteen to less than eighteen years of age. This change essentially upgraded the conduct described in section 712-1203(1)(b), Hawaii Revised Statutes, from a class C felony to a class B felony. Your Committee on Conference believes that a person convicted of knowingly advancing or profiting from the prostitution of a person less than eighteen years old, no matter under which statutory section, should be required to register as a sex offender. Accordingly, your Committee on Conference believes that the statutory references should be updated to avoid a different result.

Your Committee on Conference has amended this measure by:

- (1) Amending the statutory reference to section 712-1203(1)(b), Hawaii Revised Statutes, in section 846E-10(c), Hawaii Revised Statutes, which designates Tier 2 offenses, to reference the form of section 712-1203(1)(b), Hawaii Revised Statutes, in effect prior to the enactment of Act 147 (2008);
- (2) Amending section 846E-10(d), Hawaii Revised Statutes, relating to Tier 1 offenses, to include the offenses of:
  - (A) Violation of privacy in the first degree under section 711-1110.9, Hawaii Revised Statutes;
  - (B) Promoting prostitution in the first degree under section 712-1202(1)(a), Hawaii Revised Statutes; and
  - (C) Promoting prostitution in the second degree under section 712-1203(1), Hawaii Revised Statutes; and
- (3) Changing the effective date 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 S.B. No. 52, 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. 52, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Choy, Brower, Luke and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 106 on S.B. No. 1274**

The purpose of this measure is to update Hawaii's Patients' Bill of Rights and Responsibilities Act, chapter 432E, Hawaii Revised Statutes, to conform to the requirements of the federal Patient Protection and Affordable Care Act of 2010, Public Law No. 111-148.

Your Committee on Conference finds that the enactment of the amendments to Hawaii's Patients' Bill of Rights and Responsibilities as contained in this measure is necessary to ensure that Hawaii remains in compliance with federal law. When the external review provisions of the federal Patient Protection and Affordable Care Act are fully effectuated, Hawaii's health care consumers will be prohibited from using the current procedure for external review of insurers' adverse decisions contained in the Patients' Bill of Rights and Responsibilities. Further, irrespective of any federal mandates, Hawaii's external review process has devolved from a broad consumer protection program to a narrowly available process that is inaccessible to most of Hawaii's insured individuals. Amendment of the available external review process is necessary to provide this important avenue of relief to all of the State's health care consumers.

Your Committee on Conference is mindful that many individuals have found remedy for denials of service or coverage in Hawaii's process and that the current external review system has served as a valuable locus of advocacy for equitable health care policy. However, the system is currently broken and, in the face of its narrowing applicability and a federal mandate for reform, the State is obligated to implement new and innovative measures that still provide a high level of consumer protection.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the filing fee for a request for external review shall be \$15, with an aggregate annual limit of \$60, and shall be deposited into the Compliance Resolution Fund established pursuant to section 26-9(o), Hawaii Revised Statutes;
- (2) Restoring a provision from previous Senate Drafts of this measure, which authorizes the Insurance Commissioner to approve up to three independent review organizations to serve beginning on the effective date of this measure until the initial procurement process is completed and to approve up to three independent review organizations, notwithstanding chapter 103D, Hawaii Revised Statutes, to serve in any year in which the procurement process does not yield at least three eligible independent review organizations;
- (3) Directing the Insurance Commissioner to submit a report to the Legislature prior to the convening of the 2012 Regular Session on the implementation of this measure including the names of independent review organizations contracted by the State and data on outcomes of external reviews;
- (4) Directing the Insurance Commissioner to assist the Department of Human Services and the Hawaii Employer-Union Health Benefits Trust Fund in collecting data on outcomes of each of those organization's review processes, comparing the outcomes to those of independent review organizations, and analyzing the relative benefit to health care consumers of each review process; and
- (5) Inserting an effective date of June 30, 2011, and deleting the retroactive application of this measure 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. 1274, 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. 1274, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Herkes, Keith-Agaran, M. Lee, Mizuno, Morikawa and Pine.  
Managers on the part of the House.  
Ayes, 6, Ayes with Reservations (Pine). Noes, none. Excused, 1 (M. Lee).

**Conf. Com. Rep. 107 on S.B. No. 1221**

The purpose of this measure is to:

- (1) Authorize a contractor to withdraw a bid prior to an award of a contract if the contractor finds that it is unable to comply with the eighty percent Hawaii resident workforce requirement; and
- (2) Amend the sanctions for general contractors and subcontractors who fail to comply with requirements under state resident employment requirements under chapter 103B, Hawaii Revised Statutes.

Section 103B-3, Hawaii Revised Statutes, requires that at least eighty percent of the workforce on certain construction projects must be Hawaii residents. This measure is intended to ease the administrative burden on general contractors and subcontractors by, among other things, requiring them to certify compliance with section 103B-3, Hawaii Revised Statutes, only once at final completion of the contract.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the withdrawal of a bid by the contractor is without penalty;
- (2) Deleting the sanction of recovery by the State or county of any monies expended on the contract or subcontract; and
- (3) Inserting an effective date of 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. 1221, 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. 1221, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Hee and Ryan.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, McKelvey, Yamashita, Cullen, Ichiyama and Fontaine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (McKelvey).

#### **Conf. Com. Rep. 108 on S.B. No. 1348**

The purpose of this measure is to establish a nonprofit health insurance exchange, to be known as the Hawaii Health Connector, to facilitate the purchase and sale of qualified health plans and to facilitate the regulation of health plans in compliance with the federal Patient Protection and Affordable Care Act of 2010.

Your Committee on Conference finds that the federal Patient Protection and Affordable Care Act requires each state to establish a health insurance exchange to regulate health insurance plans and distribute information to consumers. Under the federal law, if a state does not establish an exchange that complies with minimum standards, the federal government will take over that function, thus removing the state's regulatory authority. Because of Hawaii's unique health care market and in deference to the State's local culture, it is in the best interest of the State to retain regulatory control over all aspects of its domestic health insurance industry.

The establishment and implementation of the Hawaii Health Connector will be an ongoing process requiring continuing dialogue among stakeholders and consideration of a variety of issues. Therefore, this measure empowers the State Health Insurance Exchange Task Force initially convened by the Insurance Commissioner to thoroughly investigate the issues and make recommendations for the management of the Hawaii Health Connector. It is the prudent course of action to take concrete steps now to ensure that the State is able to timely implement the Hawaii Health Connector in accordance with federal law in order to preserve the State's continuing eligibility for federal grants and technical assistance.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that qualified dental plans are included in all applicable provisions of the measure;
- (2) Specifying a \$750,000 amount for the appropriation from the federal funds received pursuant to the Catalog of Federal Domestic Assistance number 93.525;
- (3) Inserting an effective date of upon approval; and
- (4) Specifying that the appropriation made from Catalog of Federal Domestic Assistance number 93.525 shall be effective 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. 1348, 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. 1348, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamane, Herkes, M. Oshiro, Chong, Morikawa and Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Chong, M. Oshiro).

#### **Conf. Com. Rep. 109 on S.B. No. 1174**

The purpose of this measure is to:

- (1) Require the Charter School Administrative Office to include with its budget and capital improvement projects request, a detailed explanation of the formula used for needs-based facilities funding requests and a funding request breakdown by school;

- (2) Re-establish the Charter Schools Facilities Funding Task Force and require the task force to develop a needs-based facilities funding formula, process, or both, for charter schools;
- (3) Permit charter schools to appeal a denial of reauthorization by the Charter School Review Panel to the Board of Education;
- (4) Require charter schools and their local school boards to develop internal policies and procedures consistent with ethical standards of conduct;
- (5) Change the frequency of each charter school's evaluation to every six years from every five years after the initial evaluation; and
- (6) Establish the Task Force on Charter School Governance, Accountability, and Authority to provide clarity to the relationships, responsibilities, and lines of accountability and authority among stakeholders of the charter school system.

Your Committee on Conference finds that as charter schools continue to become a visible component of the education system in Hawaii, it is imperative to clarify the duties and responsibilities of the Charter School Review Panel and the local school boards to ensure that all charter schools are using funds effectively and transparently while meeting their educational goals.

Your Committee on Conference has amended this measure by:

- (1) Deleting the language that re-established the Charter Schools Facilities Funding Task Force;
- (2) Adding language to require local school boards to have oversight over charter schools and to task the Charter School Review Panel with ensuring that local school boards are fulfilling their oversight responsibilities;
- (3) Adding language to give the Charter School Review Panel the power to conduct special monitoring of and temporarily withhold an allocation from a charter school for noncompliance issues;
- (4) Requiring that all notices and agendas for local school board meetings be posted on the Charter School Administrative Office's internet website;
- (5) Requiring local school boards to maintain a list of the names and contact information of current local school board members and officers and post the information on the Charter School Administrative Office's internet website;
- (6) Specifying that the Chair of the Senate Committee on Education and the Chair of the House Committee on Education, or their designees, shall serve as co-chairs of the Task Force on Charter School Governance, Accountability, and Authority;
- (7) Amending the membership of the Task Force on Charter School Governance, Accountability, and Authority, by removing the member from a start-up charter school and adding the Executive Director of the Hawaii Charter Schools Network, or the Executive Director's designee;
- (8) Clarifying that the Task Force on Charter School Governance, Accountability, and Authority shall also:
  - (A) Identify oversight and monitoring responsibilities of the Charter School Review Panel, the Charter School Administrative Office, and the local school boards and develop a process for enforcement; and
  - (B) Discuss funding-related issues, including but not limited to appropriate funding levels for the Charter School Administrative Office; and
- (9) 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. 1174, 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. 1174, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Takumi, M. Oshiro, Belatti, M. Lee and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Belatti).

**Conf. Com. Rep. 110 on S.B. No. 1284**

The purpose of this measure is to:

- (1) Authorize the Department of Education to monitor students with disabilities who are placed, at the Department's expense, at private special education schools or placements;
- (2) Require private special education schools or placements to post rates, fees, and tuition by April of each year; and
- (3) Require the Department to pay only for private special education school or placement services that are specified in a student's Individualized Education Program and to withhold payment to private special education schools or placements that restrict or deny monitoring by the Department.

Your Committee on Conference finds that the Department of Education has the responsibility to ensure that students with disabilities who are placed in private special education schools or placements are provided special education and related services in

conformance with their Individualized Education Programs. In order for the Department to fulfill this obligation, it must have access to monitor students with disabilities in private special education schools or placements.

Your Committee has amended this measure by:

- (1) Deleting the exemption from the requirements of this measure for those schools that are full and accredited members in good standing of the Hawaii Catholic Schools; and
- (2) Changing the effective date 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 S.B. No. 1284, 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. 1284, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Chun Oakland, Kidani and Slom.

Managers on the part of the Senate.

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

Representatives Takumi, M. Lee, Belatti, C. Lee and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 111 on H.B. No. 1070**

The purpose of this bill is to amend the law to establish a specific time limit for an order of post-acquittal conditional release when the defendant is charged with a petty misdemeanor, misdemeanor, or violation.

Your Committee on Conference has amended this measure by changing its effective date 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. 1070, 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. 1070, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kidani, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Keith-Agaran, Choy, Ito, B. Oshiro, Souki and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 112 on H.B. No. 1333**

The purpose of this bill is to increase the maximum amount for which a claim may be filed in the small claims division of the district court to a monetary claim that is less than \$5,000.

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

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

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Keith-Agaran, Choy, Belatti, Luke and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 113 on H.B. No. 1368**

The purpose of this bill is to:

- (1) Establish that a candidate who withdraws the candidate's own nomination papers prior to the close of the filing deadline will not be considered to have caused a vacancy that may be filled by a party; and
- (2) Define the term "party candidate" as it applies to the laws governing the filling of vacancies caused by the death, withdrawal, or disqualification of a candidate.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2011; 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. 1368, 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. 1368, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Keith-Agaran, Choy, Luke and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 114 on H.B. No. 1613**

The purpose of this bill is to improve access to voter registration by:

- (1) Requiring that applications to register to vote in person or by mail include a space to request a permanent absentee ballot;
- (2) Removing the limitation that a person registered to vote may not request an absentee ballot or permanent absentee ballot in person or in writing from the clerk earlier than the 60th day prior to the election, provided the request is made no later than seven days prior to the election;
- (3) Requiring the Chief Election Officer to inform persons applying to register to vote of the option of applying for permanent absentee voter status and provide necessary forms to request the option; and
- (4) Requiring the Office of Elections to continue to use existing voter registration application forms where possible until new forms are available.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2011; 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. 1613, 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. 1613, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keith-Agaran, Choy, Luke and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 115 on H.B. No. 889**

The purpose and intent of this bill is to establish health care-associated infection reporting requirements to ensure that Hawaii is consistent with the efforts of federal agencies to control health care-associated infections and to ensure that the Department of Health has access to health care-associated infection data reported by Hawaii's health care providers to the federal government.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 889, 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. 889, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Yamane, Keith-Agaran, Morikawa, Nishimoto and Ching.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 116 on H.B. No. 761**

The purpose and intent of this bill is to amend references in the Hawaii Revised Statutes by substituting “intellectual disability”, or like term, wherever the term “mental retardation”, or like term, appears, in order to bring language within the Hawaii Revised Statutes in line with language recognized by the federal government under Public Law 111-256.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 761, 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. 761, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hee, Green and Slom.

Managers on the part of the Senate.

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

Representatives Yamane, M. Oshiro, Mizuno, Morikawa, Wooley and Ching.

Managers on the part of the House.

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

**Conf. Com. Rep. 117 on H.B. No. 1045**

The purpose of this bill is to update the State’s Insurance Code by adopting:

- (1) The revisions to the National Association of Insurance Commissioners model laws; and
- (2) Regulations for risk-based capital trend test for property and casualty insurers required for accreditation.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1045, 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. 1045, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero and Slom.

Managers on the part of the Senate.

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

Representatives Yamane, Herkes, Morikawa, Ito, Souki and Ching.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Ito, Souki).

**Conf. Com. Rep. 118 on H.B. No. 801**

The purpose of this Act is to clarify the Department of Taxation’s (DOTAX) subpoena authority for civil or criminal inquiries, investigations, and hearings.

Your Committee on Conference finds that this measure will assist DOTAX in enforcing the tax laws of the State. Facilitating the collection of delinquent taxes, which is particularly important in light of the State’s current fiscal crisis, will help the State meet its financial obligations.

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

- (1) In lieu of civil or criminal inquiries, clarifying the Director of DOTAX’s authority to conduct civil audits and criminal investigations;
- (2) Changing its effective date to July 1, 2011; 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. 801, 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. 801, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kidani, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Choy, Awana, Jordan, B. Oshiro and Marumoto.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Jordan, Marumoto).



**Conf. Com. Rep. 119 on H.B. No. 667**

The purpose of this bill is to establish a food safety and security program within the Department of Agriculture to provide training, certification, support, and assistance to the agricultural industry in the areas of food safety and security.

Your Committee on Conference finds that food safety problems represent a potentially serious threat to public health. The program established by this measure should help to provide overall support and leadership on this important matter.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions requiring DOA to establish rules for the production, processing, and distribution of food products or agricultural commodities to meet state and federal food safety standards;
- (2) Changing its effective date to July 1, 2011; 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. 667, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 667, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Fukunaga, Kidani, Dela Cruz and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Kidani).

Representatives McKelvey, Tsuji, Choy, Evans, Hashem and Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Marumoto).

**Conf. Com. Rep. 120 on H.B. No. 1342**

The purpose of this bill is to expedite the deployment of broadband infrastructure by:

- (1) Temporarily exempting actions relating to the installation, improvement, construction, or development of infrastructure relating to broadband service or broadband technology (broadband infrastructure development) from county permitting requirements and state permitting and approval requirements, under certain conditions; and
- (2) Establishing that no person or entity shall be required to upgrade or replace an existing utility pole when using that utility pole to install new or improve existing telecommunications cables, under certain conditions.

Your Committee on Conference finds that the implementation of broadband technology is critical to improving the productivity of various sectors of our economy. Your Committee on Conference finds that the exemptions from certain permitting requirements contained in this measure represent an important step in promoting investment in broadband infrastructure in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that broadband infrastructure development shall be exempt from Public Utilities Commission (PUC) rules under Hawaii Administrative Rules, Chapter 6-73;
- (2) Making the permitting and approval exemptions for broadband infrastructure development not applicable in the event that such permitting and approval are required by federal law or are necessary to protect eligibility for federal funding;
- (3) Specifying as a condition for the permitting and approval exemptions for broadband infrastructure development that the development be directly related to the improvement of existing telecommunications cables or the installation of new telecommunications cables:
  - (A) On existing or replacement utility poles and conduits; and
  - (B) Using existing infrastructure and facilities;
- (4) Requiring a person or entity to use reasonable best efforts to comply with all applicable safety and engineering requirements related to the broadband infrastructure development;
- (5) Requiring a person or entity taking any action relating to broadband infrastructure development to provide notice, at least thirty days before the action, to the Director of Commerce and Consumer Affairs (Director), with certain exceptions;
- (6) With respect to the prohibition on requiring upgrade or replacement of utility poles:
  - (A) Deleting the condition that the overall weight load on the utility pole shall not exceed maximum utility pole safe weight capacities established by the PUC and the Federal Communications Commission;
  - (B) Clarifying the condition that the overall weight load and the diameter of the attachment on the utility pole following the installation or improvement shall not exceed the overall weight load and diameter of the attachment prior to the installation or improvement;
  - (C) Clarifying that the new installation or improvement of telecommunication cables shall not cause the utility pole to be less safe or reliable;

- (D) Clarifying that the PUC may allow a public utility to recover all prudently incurred costs through rates, charges, or clauses approved or established by PUC, and specifying that recovery of all prudently incurred costs shall apply to a broadband service provider; and
- (E) Establishing requirements for a utility in cases where the utility denies a written request for access to a utility pole;
- (7) With respect to the review and reporting requirements, deleting the provision specifying that the Director consult with the Cable Television Administrator (Administrator);
- (8) In lieu of the Administrator, making the Director the chair and a member of the Broadband Assistance Advisory Council and the convenor and a member of the broadband working group;
- (9) Changing its effective date to July 1, 2011; and
- (10) 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. 1342, 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. 1342, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Espero, Baker, Solomon and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Herkes, Yamashita, Choy, Tokioka and Marumoto.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Choy, Herkes).

**Conf. Com. Rep. 121 on H.B. No. 1060**

The purpose of this bill is to clarify laws relating to information technology established in Act 200, Session Laws of Hawaii 2010, including:

- (1) Specifying that the Chief Information Officer's (CIO) staff be exempt from civil service, public service, and collective bargaining laws;
- (2) Transferring the Shared Services Technology Special Fund (Special Fund) from the Department of Budget and Finance to the Department of Accounting and General Services;
- (3) Authorizing the CIO and Comptroller to raise funds and accept donations for the Special Fund;
- (4) Requiring the CIO to submit annual reports to the Governor and the Legislature; and
- (5) Appropriating funds to the Special Fund.

Your Committee on Conference has amended this bill by:

- (1) Adding a purpose and findings section;
- (2) Clarifying that CIO staff only be exempt from civil service and collective bargaining laws;
- (3) Correcting the name of the Information Technology Steering Committee Trust Account to the Information Technology Trust Account;
- (4) Allowing the CIO to receive donated services and property for which funding is not required;
- (5) Specifying that 3 percent of central service fees be deposited into the Special Fund;
- (6) Appropriating \$1,200,000 from the Special Fund to fund the operations of the CIO and Information Technology Steering Committee;
- (7) Changing its effective date to July 1, 2011; and
- (8) 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. 1060, 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. 1060, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Ige and Wakai.

Managers on the part of the Senate.

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

Representatives M. Oshiro, Chong, McKelvey, Yamashita and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 122 on H.B. No. 1089**

The purpose of this bill is to conform Hawaii income tax law to the Internal Revenue Code.

Your Committee on Conference has amended this bill by changing its effective date to “upon approval” and 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 H.B. No. 1089, 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. 1089, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Fukunaga and Kidani.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Fukunaga).

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.  
Managers on the part of the House.  
Ayes, 5, Ayes with Reservations (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 123 on H.B. No. 960**

The purpose of this bill is to authorize:

- (1) The Hawaii Housing Finance and Development Corporation (HHFDC) to grant no-interest low-income housing tax credit loans to certain owners of qualified low-income buildings; and
- (2) The issuance of general obligation bonds for Fiscal Year (FY) 2011-2012 to fund the low-income housing tax credit loans.

It is your Committee on Conference’s understanding that the authorization to issue \$7 million in general obligation bonds for FY 2011-2012 for low-income housing tax credit loans will be included in the General Appropriations Act of 2011.

Your Committee on Conference has amended this bill by:

- (1) Including a purpose section that sets forth the purpose of this bill, which is to encourage the development and preservation of rental housing for lower income household by creating a cost-effective financing mechanism for projects that are awarded state low-income housing tax credits;
- (2) Authorizing, rather than requiring, HHFDC to forgive, if the owner is not in default, the amount remaining under the no-interest loan to the owner of the qualified low-income building after 30 years;
- (3) Repealing provisions authorizing the issuance of general obligation bonds for FY 2011-2012 for low-income housing tax credit loans;
- (4) Changing its effective date to July 1, 2011; 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. 960, 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. 960, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Ige and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Chong, Jordan, Chang and Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Pine).

**Conf. Com. Rep. 124 on H.B. No. 1405**

The purpose of this bill is to:

- (1) Recognize the Native Hawaiian people as the only indigenous, aboriginal, maoli people of Hawaii; and
- (2) Establish a nine-member Native Hawaiian Roll Commission to, among other things, prepare and maintain a roll of qualified Native Hawaiians that will serve as the basis for eligibility to participate in the organization of the Native Hawaiian governing entity.

After careful consideration, your Committee on Conference has amended this bill by deleting its contents and reinserting House Draft No. 1 provisions that promote smart growth and sustainability in Hawaii by requiring the Office of Planning to develop a plan to establish a statewide system of greenways and trails. In addition, the effective date was changed 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. 1405, 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. 1405, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, Kidani, Dela Cruz, Galuteria and Hee.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Kidani).

Representatives Chang, Hanohano, Keith-Agaran, M. Oshiro, Har, Jordan, Nakashima and Riviere.  
Managers on the part of the House.  
Ayes, 7. Noes, none. Excused, 1 (M. Oshiro).

**Conf. Com. Rep. 125 on H.B. No. 1505**

The purpose of this bill is to address the State's significant backlog of deferred facility maintenance and promote new construction projects by establishing public-private partnerships through the establishment of the State Facility Renovation Partnership Program.

Your Committee on Conference has amended this bill by changing its effective date 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. 1505, 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. 1505, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Kouchi and Ige.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Ige).

Representatives Chang, M. Oshiro, Har, Ichiyama, Kawakami and Riviere.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 126 on H.B. No. 1082**

The purpose of this bill is to establish a Conservation and Resources Enforcement Special Fund (Fund) to be administered by the Department of Land and Natural Resources.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision that required general revenues to be deposited into the Fund for fiscal year 2011-2012;
- (2) Appropriating \$250,000 out of the Fund for fiscal year 2011-2012 to cover expenses related to enforcing natural, cultural, and historic resources protection laws and rules;
- (3) Changing its effective date to July 1, 2011; 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. 1082, 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. 1082, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon and Ige.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ige).

Representatives Chang, Har, Kawakami and Riviere.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 127 on H.B. No. 331**

The purpose of this bill is to:

- (1) Change the maximum aggregate of the initial term and any extension of certain leases of public lands from 55 years to 65 years;
- (2) Broaden the restriction against introducing any species of aquatic life or wildlife, as defined in section 197-1, Hawaii Revised Statutes, to apply to any persons, rather than only to the Department of Land and Natural Resources; and
- (3) Establish a Public Land Development Corporation to administer a public-land development program.

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

- (1) Retaining only the provisions that change the maximum aggregate of the initial term and any extension of certain leases of public lands from 55 years to 65 years; and
- (2) 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. 331, 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. 331, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Kouchi, Ige, Ryan and Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 2 (Ige, Slom).

Representatives Chang, Har, Kawakami, Nakashima, Tokioka, Tsuji and Riviere.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, 1 (Tsuji).

**Conf. Com. Rep. 128 on H.B. No. 1164**

The purpose of this bill is to:

- (1) Authorize the Department of Land and Natural Resources (DLNR) to consider the exchange of Sand Island parcels to leaseholders; and
- (2) Require DLNR to report its findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2012.

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

- (1) Authorizing DLNR to review and consider the sale or exchange of Sand Island parcels to leaseholders;
- (2) Changing its effective date to July 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. 1164, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1164, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Ige, Kouchi and Slom.

Managers on the part of the Senate.

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

Representatives Chang, M. Oshiro, Har, Ito, Tokioka and Riviere.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 129 on H.B. No. 300**

The purpose of this bill is to appropriate funds for the operating budget and capital improvement project budget of the Judiciary for the 2011-2013 fiscal biennium.

**Operating**

Your Committee on Conference has carefully considered the Judiciary's budget request and sought to provide general funds to further the Judiciary's mission of administering justice in an impartial, efficient, and accessible manner.

Furlough days that were instituted because of the continued economic downturn have severely hampered the Judiciary's mission and resulted in an increase in workload over the past year, thereby decreasing service delivery and resulting in the elimination of some programs.

Your Committee on Conference finds that collective bargaining agreements for the upcoming biennium will eliminate the furlough of Judiciary employees. The agreement is expected to provide the state with approximately \$4,100,000 in general fund savings. This amount is reflected as a lump sum reduction to be allocated to programs by the Judiciary in accordance with accrued labor savings. Further, your Committee on Conference recommends that the Judiciary reduce spending by \$2,000,000 in general funds as its part of a statewide effort to balance the state's overall budget.

**Capital Improvement Projects**

Your Committee on Conference recommends total appropriations of \$31,424,000 in general obligation bond funding for capital improvement projects. Among other things, your Committee on Conference recommends:

- (1) \$12,000,000 for land acquisition and design for a new judiciary complex in Kona, Hawaii;
- (2) \$10,000,000 for general alterations, upgrades, and improvement to judiciary facilities statewide; and
- (3) \$4,645,000 for plans, design, and construction for roof and lanai upgrades and improvements at Kaahumanu Hale, Oahu.

As affirmed by the record of votes of the managers 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. 300, 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. 300, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Keith-Agaran, M. Oshiro, Brower, M. Lee, Rhoads and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Rhoads).

**Conf. Com. Rep. 130 on H.B. No. 1566**

The purpose of this bill is to address the needs of the State's small boat harbors by, among other things:

- (1) Requiring that any fees collected within small boat harbors be expended only for costs related to the operation, upkeep, maintenance, and improvement of the small boat harbors;
- (2) Allowing the limited issuance of commercial use permits for vessels with assigned moorings in Ala Wai and Keehi boat harbors;
- (3) Specifying that future mooring fees will be established by appraisal by a state-licensed appraiser approved by the Department of Land and Natural Resources (DLNR) and assigned a schedule B rate, while existing mooring holders remain in a schedule A class whose rates will increase each year until they equal schedule B rates over a three-year period; and
- (4) Directing DLNR to lease certain fast lands at the Ala Wai Boat Harbor using the request for proposals process for the public-private development, management, and operation of areas of Ala Wai Boat Harbor.

Your Committee on Conference has amended this bill by:

- (1) Permitting DLNR to lease submerged lands within an existing state boating facility;
- (2) Specifying those fast lands and submerged lands of the Ala Wai Boat Harbor that may be leased;
- (3) Permitting DLNR to lease fast lands and submerged lands through the request for proposals process, subject to certain conditions;
- (4) Subjecting the lease of fast lands and submerged lands to the requirements of ocean and submerged lands leasing under Chapter 190D, Hawaii Revised Statutes (HRS);
- (5) Granting DLNR rulemaking authority to implement the disposition of state boating facility properties under section 200-2.5, HRS;
- (6) Amending the requirements for vessels issued commercial use permits at Ala Wai Boat Harbor;
- (7) Amending the permissible uses of fast lands and submerged lands leased by DLNR;
- (8) Specifying that the lease of fast lands and submerged lands of Ala Wai Boat Harbor are subject to the requirements of the disposition of state boating facility properties under section 200-2.6(a), HRS;
- (9) Specifying that prior authorization of the Legislature by concurrent resolution is not required for the lease of submerged lands and lands beneath tidal waters at Ala Wai Boat Harbor;
- (10) Changing its effective date to July 1, 2011; and
- (11) 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. 1566, 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. 1566, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Ige, Kouchi and Solomon.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Ige).

Representatives Chang, Har, Ito, Tokioka and Riviere.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 131 on S.B. No. 1073**

The purpose of this measure is to amend the provisions regarding indigent legal services fee surcharges established in section 607-5.7, Hawaii Revised Statutes, by:

- (1) Increasing the amount of the indigent legal services fee surcharge on certain court filing fees by gradually increasing the surcharge over a two-year period, so that on January 1, 2012, the indigent legal services fee surcharge on certain filings in circuit and appellate courts will increase by \$25, and then by an additional \$15 on January 1, 2014, and the indigent legal services fee surcharge on certain filings in district court will increase by \$15 on January 1, 2012, and an additional \$10 on January 1, 2014; and

- (2) Requiring the Hawaii Justice Foundation to review, on a biennial basis, whether the Indigent Legal Assistance Fund is meeting the civil legal needs of indigent persons, and report its findings and recommendations to the Legislature in even-numbered years beginning with the Regular Session of 2014.

Your Committee on Conference finds that there is a need to fund legal services for low- and moderate-income individuals who would not otherwise have access to them. The increases proposed by this measure on the surcharges for indigent legal services are the first since section 607-5.7, Hawaii Revised Statutes, was enacted in 1996, as well as the first proposed changes to the filings which are subject to the indigent legal services fee surcharges. Under the current law, the only district court filings subject to the surcharge are summary possession filings; this measure will make the surcharge applicable to other filings, such as assumpsit cases, which may involve individuals who need legal representation or services provided by the Indigent Legal Assistance Fund.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Administrative Director of the Courts, or the contractor administering the Fund pursuant to contract with the Administrative Director of the Courts, rather than the Hawaii Justice Foundation, as the entity responsible for biennially reviewing the Indigent Legal Assistance Fund;
- (2) Changing the effective date to January 1, 2012; 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. 1073, 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. 1073, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro and Kidani.

Managers on the part of the Senate.

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

Representatives Keith-Agaran, Choy, Brower, Luke, B. Oshiro and Thielen.

Managers on the part of the House.

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

#### **Conf. Com. Rep. 132 on S.B. No. 1270**

The purpose of this measure is to appropriate Hawaii Hurricane Relief Fund monies into the General Fund to make funds available to balance the state budget for fiscal year 2010-2011, with a mechanism for the automatic replenishment of the Hawaii Hurricane Relief Fund for subsequent fiscal years, and maintain the levels of programs determined to be essential for education, public health, and public welfare.

Your Committee on Conference finds that this measure has been designated as an emergency appropriation for the purpose of filling in a budget shortfall in the current fiscal year. The Legislature has chosen to fulfill this purpose by authorizing the expenditure of funds in the Hawaii Hurricane Relief Fund as a last resort in extraordinary times. Your Committee on Conference notes that this measure contains a provision to effectuate the automatic replenishment of the Hurricane Reserve Trust Fund from general excise tax revenues in fiscal years 2013-2014 and 2014-2015. Your Committee also notes that this measure contains a provision authorizing the issuance of revenue bonds in order to maintain a balance of \$75,000,000 in the Hurricane Reserve Trust Fund.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Hawaii Hurricane Relief Fund monies appropriated under this measure are from the Hurricane Reserve Trust Fund;
- (2) Adding a provision authorizing the Governor to transfer all or a portion of the remaining balance of the Hurricane Reserve Trust Fund into the General Fund, to be spent after the expenditure, encumbrance, or allotment of the emergency and budget reserve funds and non-general funds designated for use in fiscal year 2010-2011 by Senate Bill No. 1293 and Senate Bill No. 120, in the form in which those bills are enacted during the 2011 Regular Session;
- (3) Making an appropriation from the Hurricane Reserve Trust Fund of \$42,000,000 or so much thereof as necessary to maintain programs at levels essential for education, public health, and public welfare for the 2010-2011 fiscal year; provided that specified conditions are met;
- (4) Authorizing the Governor to transfer of the remaining balance of the Hurricane Reserve Trust Fund to the General Fund on June 30, 2011; provided that specified conditions are met;
- (5) Authorizing the Director of Finance to deposit certain funds into separate accounts in the General Fund;
- (6) Directing the Governor to submit a report to the Legislature identifying the programs and projects for which funds transferred from the Hurricane Reserve Trust Fund were expended;
- (7) Authorizing the carry-over of funds transferred from the Hurricane Reserve Trust Fund into the General Fund during fiscal year 2010-2011 that are unexpended or unencumbered as of June 30, 2011, to fiscal year 2011-2012;
- (8) Changing the amount of general excise tax revenues to be transferred to the Hurricane Reserve Trust Fund in fiscal years 2013-2014 and 2014-2015 to the equivalent of one-half of the total amount of funds appropriated or transferred out of the Hurricane Reserve Trust Fund under this measure, which serves to replenish funds appropriated from the Hurricane Reserve Trust Fund;

- (9) Authorizing the issue of revenue bonds by the Hawaii Hurricane Relief Fund in amounts not exceeding \$75,000,000;
- (10) Indemnifying the State, its officers, and its employees from liability for any action taken pursuant to this measure; and
- (11) 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. 1270, 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. 1270, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Kidani, Kouchi and Taniguchi.

Managers on the part of the Senate.

Ayes, 4, Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Kidani).

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

Managers on the part of the House.

Ayes, 4, Ayes with Reservations (Marumoto). Noes, none. Excused, 1 (Chong).

#### **Conf. Com. Rep. 133 on S.B. No. 651**

The purpose of this measure is to implement a comprehensive strategy to reform the foreclosure process by implementing additional protections for homeowners in foreclosure or at-risk of foreclosure by:

- (1) Instituting a mortgage foreclosure dispute resolution program in the Department of Commerce and Consumer Affairs for nonjudicial foreclosures under Part II of chapter 667, Hawaii Revised Statutes, of residential real property occupied by a mortgagor as a primary residence;
- (2) Authorizing an owner-occupant of residential real property to convert a nonjudicial foreclosure pursuant to part II, Hawaii Revised Statutes, to a judicial foreclosure action;
- (3) Barring deficiency judgments after a nonjudicial foreclosure pursuant to part II of chapter 667, Hawaii Revised Statutes, against an owner-occupant who does not own any other real property unless the debt is secured by collateral;
- (4) Specifying prohibited conduct and consequences of violations for foreclosing mortgagees;
- (5) Strengthening regulation of the mortgage servicer industry;
- (6) Suspending foreclosure actions by a junior lienholder during the pendency of a mortgage foreclosure;
- (7) Increasing the amount of a special assessment for unpaid common assessments that a condominium association may collect from a purchaser of a foreclosed unit to \$10,000;
- (8) Requiring that public sale of real property following a nonjudicial power of sale foreclosure shall take place at certain state facilities that are not under the administration of the Judiciary;
- (9) Strengthening notice requirements and making conforming amendments to the nonjudicial power of sale foreclosure process under part II of chapter 667, Hawaii Revised Statutes;
- (10) Repealing the nonjudicial foreclosure process under part I of chapter 667, Hawaii Revised Statutes;
- (11) Appropriating an unspecified amount from the general fund to the mortgage foreclosure dispute resolution special fund established by this measure for the purpose of establishing the mortgage foreclosure dispute resolution program;
- (12) Appropriating an unspecified amount from the compliance resolution fund to the mortgage foreclosure dispute resolution special fund established by this measure for the purpose of establishing the mortgage foreclosure dispute resolution program;
- (13) Appropriating an unspecified amount from the mortgage foreclosure dispute resolution special fund for the Department of Commerce and Consumer Affairs to establish and operate the mortgage foreclosure dispute resolution program; and
- (14) Providing for the sunset of the mortgage foreclosure dispute resolution program, authorization for conversion of nonjudicial foreclosures to judicial actions, and increase in allowable common assessments, and providing for the reimbursement, using residual monies in the mortgage foreclosure dispute resolution fund, of the general fund and the compliance resolution fund.

Your Committee on Conference finds that the number of residential mortgage foreclosures in Hawaii has increased so rapidly during this current period of economic recession that Hawaii has gained the unfortunate distinction of having one of the highest foreclosure rates in the country. A high rate of residential foreclosures disrupts not only the lives of individual homeowners, but also the fabric of the community. Lawmakers in almost every state in the country are currently taking measures to reform the foreclosure process by addressing abuses in the system and providing relief to homeowners who have fallen into distress. Hawaii's situation as a leader in foreclosure rates brings with it the opportunity to also be a leader in homeowner protections and sound reforms to the foreclosure process. This measure is intended to provide relief to distressed homeowners across the State including owners of single-family houses, condominiums, and apartments.

Although other measures relating to mortgage foreclosures have been introduced to the Legislature and considered by your Committee on Conference, this omnibus measure presents the most thorough consideration of the scope of relevant issues and includes the most important elements of measures considered by the House of Representatives and the Senate. This measure incorporates the recommendations of the Mortgage Foreclosure Task Force convened pursuant to Act 162, Session Laws of Hawaii 2010. Your Committee on Conference notes that the Task Force is directed by its authorizing statute to continue its work throughout the coming year and plans to make recommendations to the Legislature prior to the 2012 Regular Session for further reform of the foreclosure



system, particularly in regards to the nonjudicial foreclosure process and its use by condominium associations for collection of common area maintenance fee assessments. The moratorium on nonjudicial foreclosures under part I of chapter 667, Hawaii Revised Statutes, is included in this measure in anticipation of task force recommendations that may include significant changes to the current foreclosure process.

Your Committee on Conference is mindful that the ability of condominium associations to foreclose on liens for past-due assessments for common expenses is affected by this measure. Recognizing that non-payment of common expenses by any one unit in a condominium, planned community, or cooperative housing project results in an increased burden on other homeowners within the association, the Legislature has preserved the right of associations to foreclose on liens under part II of chapter 667, Hawaii Revised Statutes, and has exempted lien foreclosures by an association from dispute resolution and judicial conversion requirements. The special situation of association lien foreclosures and the interests of all association members in timely collection of assessments for common expenses merits special consideration by the Task Force in its recommendations to the Legislature.

Your Committee on Conference further finds that the effectiveness of alternative dispute resolution in resolving foreclosure matters has been demonstrated by foreclosure mediation programs in Nevada, Connecticut, and Washington, D.C., that have been enacted since the start of the current housing downturn. The key components of successful programs are their mandatory nature and inclusion of effective oversight mechanisms. Successful programs have also recognized that even if foreclosure is not avoidable, often a foreclosing mortgagee and a distressed mortgagor are able to come to a mutually beneficial agreement that provides cost savings to the foreclosing mortgagee and mitigates damage to the mortgagor. Less costly to the parties and the State in comparison to litigation, dispute resolution allows the parties to pursue a negotiated settlement that responds to the specific situation of each foreclosing mortgagee and mortgagor. The mortgage foreclosure dispute resolution program established by this measure includes components of the Nevada mediation program, which has been recognized as a model program, and original components that have been created specifically to respond to Hawaii's unique residential real estate market and existing regulatory framework.

Your Committee on Conference finds that conversion of nonjudicial foreclosures to judicial actions is an innovative recommendation of the Mortgage Foreclosure Task Force. Conversion to judicial actions will provide important oversight to the foreclosure process during the period that the mortgage foreclosure dispute resolution program is being fully implemented and while the Task Force is considering further reforms to the foreclosure system. In consideration of issues relating to the impact of this measure on already scarce Judiciary resources, judicial conversion authorized by this measure is limited to an eighteen-month period, and remedies other than judicial conversion are incentivized by this measure through relief from deficiency judgment following nonjudicial foreclosures.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the mortgage foreclosure dispute resolution program established by this measure shall be operative from no later than October 1, 2011, and shall continue until September 30, 2014;
- (2) Clarifying that the mortgage foreclosure dispute resolution program established by this measure shall be available to owner-occupants of residential real property who have resided at the property for at least two hundred consecutive days;
- (3) Making amendments to the administration of the foreclosure dispute resolution program to clarify consumer protections and to allow the Department of Commerce and Consumer Affairs to implement the program without unnecessary delays due to generally applicable rule-making or procurement requirements;
- (4) Making amendments to internal deadlines in the mortgage foreclosure dispute resolution program to avoid unnecessary delay in the process;
- (5) Specifying that penalties for noncompliance with the mortgage foreclosure dispute resolution program shall include a fine of up to \$1,500;
- (6) Specifying that the fee for filing a notice of foreclosure with the Department of Commerce and Consumer Affairs shall be \$250;
- (7) Specifying that the option to convert a nonjudicial foreclosure to a judicial action shall be available upon the effective date of this measure until December 31, 2012, and shall include an initial forty-five day phase-in period during which a mortgagor may convert a pending nonjudicial foreclosure without regard to certain prior notice and time limit requirements;
- (8) Specifying a maximum \$300 filing fee for petitions for conversion filed before the mortgage foreclosure dispute resolution program is operative to avoid penalizing mortgagors who would have chosen to pursue dispute resolution if it had been available;
- (9) Specifying that the assignment of parties in the petition for conversion shall not affect the assignment of parties in the converted foreclosure action;
- (10) Specifying that an owner-occupant may elect to pursue either the mortgage foreclosure dispute resolution program or conversion to a judicial foreclosure, but not both;
- (11) Specifying that the maximum amount of a special assessment for unpaid common assessments that a condominium association may collect from a purchaser of a foreclosed unit shall be \$7,200; provided that the increase in the maximum amount of the special assessment shall be repealed on September 30, 2014;
- (12) Clarifying prohibited conduct for a foreclosing mortgagee and clarifying that violation of any provision of chapter 667, Hawaii Revised Statutes, by a foreclosing mortgagee shall be an unfair or deceptive act or practice;
- (13) Clarifying that a junior lienholder may only initiate or continue with a nonjudicial foreclosure under part I if no other foreclosure action is pending and under part II of chapter 667, Hawaii Revised Statutes, during the pendency of a stay during dispute resolution if the junior lienholder initiates the lien foreclosure before a foreclosing mortgagee initiates a mortgage

- foreclosure and that no person shall initiate a judicial foreclosure during the pendency of a stay of foreclosure as part of the mortgage foreclosure dispute resolution program or of a nonjudicial foreclosure converted to a judicial action;
- (14) Specifying that the prohibition against deficiency judgments after a nonjudicial foreclosure pursuant to part II of chapter 667, Hawaii Revised Statutes, shall apply regardless of the mortgagor's ownership of other real property;
  - (15) Strengthening notice requirements and consumer protections for nonjudicial foreclosures conducted pursuant to part I of chapter 667, Hawaii Revised Statutes;
  - (16) Clarifying requirements for mortgage servicers and requiring mortgage servicers who service twenty percent or more of the total mortgage servicer market in the State to maintain a physical presence in the State;
  - (17) Deleting the general fund appropriation to the mortgage foreclosure dispute resolution special fund;
  - (18) Inserting an appropriation amount of \$400,000 from the compliance resolution fund to the mortgage foreclosure dispute resolution special fund established by this measure for the purpose of establishing the mortgage foreclosure dispute resolution program;
  - (19) Inserting an appropriation amount of \$1,850,000 from the mortgage foreclosure dispute resolution special fund for the Department of Commerce and Consumer Affairs to establish and operate the mortgage foreclosure dispute resolution program;
  - (20) Imposing a moratorium to end on July 1, 2012, on nonjudicial foreclosures under part I of chapter 667, Hawaii Revised Statutes;
  - (21) Directing the Department of Commerce and Consumer Affairs to submit a report to the Legislature prior to the 2012 Regular Session on the operations and outcomes of the mortgage foreclosure dispute resolution program;
  - (22) Specifying that any monies remaining in the mortgage foreclosure dispute resolution special fund upon its repeal shall be deposited to the compliance resolution fund;
  - (23) Inserting a severability clause;
  - (24) Making the measure effective upon its approval; and
  - (25) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference notes that this measure in its final form is the result of productive collaboration among stakeholders, advocates, mortgage professionals, state regulators, and the Judiciary.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 651, 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. 651, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Herkes, Keith-Agaran, M. Oshiro, Cabanilla, Ito, McKelvey and Riviere.  
Managers on the part of the House.  
Ayes, 5, Ayes with Reservations (Riviere). Noes, none. Excused, 2 (Cabanilla, McKelvey).

#### **Conf. Com. Rep. 134 on S.B. No. 1482**

The purpose of this measure is to require the Public Utilities Commission, when making determinations of the reasonableness of the costs of utility system capital improvements and operations, to consider the need to reduce the State's reliance on fossil fuels and to consider the benefits of capital improvements for renewable energy generation and energy efficiency despite the short-term expense.

Your Committee on Conference finds that in order to help reduce the State's dependence on fossil fuels the Public Utilities Commission needs to give consideration to the long-term benefits of projects that may incur larger short-term costs than fossil fuel-dependent or less energy-efficient alternatives. This measure gives the Public Utilities Commission specific direction to make those considerations during the performance of its duties.

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 S.B. No. 1482, 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. 1482, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Baker, Ige and Ihara.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Coffman, Herkes, M. Oshiro, Ito, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 135 on S.B. No. 146**

The purpose of this measure is to expand the use of biofuels as a viable source of energy in Hawaii by requiring diesel fuel sold in the State for use in motor vehicles to contain five percent biodiesel that is produced in the State from locally-sourced products meeting certain certification standards.

Your Committee on Conference finds that the State needs to expand the use of biofuels as a viable source of energy in order to reduce dependence on imported fossil fuels and that the use of biofuels is consistent with the State's goals relating to renewable energy and sustainability.

Your Committee on Conference recognizes, however, that imposing a statutory requirement that diesel fuel sold in the State for use in motor vehicles contain five percent biodiesel may be premature at this time in view of the nascent nature of the industry and the uncertain availability of biomass crops in Hawaii to produce enough fuel to fulfill the mandate originally contemplated in this measure.

Your Committee on Conference also recognizes that restricting the use of agricultural products for the production of biodiesel fuel to agricultural products grown in the State raises constitutional concerns and that the fuel distribution infrastructure in the State is not currently ready to accept biodiesel.

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

- (1) Removing its contents and replacing them with language as originally contemplated in the S.D. 1, which:
  - (A) Directs the Department of Business, Economic Development, and Tourism to conduct a study exploring the conditions and policies necessary to expand biofuel production in the State in order to displace a significant amount of petroleum-based liquid fuel; and
  - (B) Requires the Department to provide a preliminary and a final report to the Legislature no later than twenty days prior to the Regular Session of 2012 and 2013, respectively, and include the following information, as it pertains to a variety of types of biofuel, in its reports:
    - (i) An estimate of the projected demand in the near-term, mid-term, and long-term for the biofuel's petroleum-based counterparts;
    - (ii) The availability of local biomass feedstock in the State and out-of state to meet existing and proposed biofuel production in the near-term, mid-term, and long-term;
    - (iii) Production estimates within the State and out-of-state for the near-term, mid-term, and long-term;
    - (iv) Costs in the near-term, mid-term, and long-term for biofuel produced within the State and out-of-state;
    - (v) A realistic timeline of production within the State;
    - (vi) The status of the technology and ASTM standards;
    - (vii) The benefits to the State's economy;
    - (viii) The emissions compared to other biofuels and petroleum-based counterpart;
    - (ix) The relative logistics of handling and usage;
    - (x) The relative stability of supply and costs; and
    - (xi) Recommendations including whether any specific biofuel mandate is necessary and whether the ethanol fuel requirement in section 486J-10, Hawaii Revised Statutes, should be maintained, modified, or repealed; 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. 146, 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. 146, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Coffman, Souki, M. Oshiro, Chong, Ito, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, 1 (Souki).

**Conf. Com. Rep. 136 on S.B. No. 1244**

The purpose of this measure is to assist the State in meeting its clean energy goals by reducing the capacity required for a biofuel production facility to qualify for the renewable energy siting process and by including biofuel distribution infrastructure among the types of facilities that qualify.

Your Committee on Conference finds that this measure encourages and expedites the permitting process for the development of renewable energy facilities in Hawaii. Small-scale and biofuel pilot projects are precursors to the large-scale commercial projects that are necessary to reduce the State's dependence on fossil fuels. Allowing these smaller projects to receive the expedited permitting

currently allowed for their larger counterparts will increase participation in the process and help the State to more quickly achieve its clean energy goals.

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 S.B. No. 1244, 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. 1244, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Coffman, M. Oshiro, Chong, Ito, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 137 on S.B. No. 570**

The purpose of this measure is to raise additional revenues by:

- (1) Providing for the taxation of the pension income of:
  - (A) An individual filer with a federal adjusted gross income of \$100,000 or more;
  - (B) A joint or surviving spouse filer with a federal adjusted gross income of \$200,000 or more; and
  - (C) A head of household with a federal adjusted gross income of \$150,000 or more;
- (2) Making inoperative for the same taxpayers the deduction for state taxes paid;
- (3) Limiting the amount of itemized deductions that may be claimed by the same taxpayers; and
- (4) Delaying the standard deduction and personal exemption increases approved under Act 60, Session Laws of Hawaii, 2009, and making the increases permanent.

Your Committee on Conference has amended this measure by deleting provisions that provided for the taxation of certain pension incomes and making technical conforming 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. 570, 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. 570, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Hee, Espero and Fukunaga.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

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

**Conf. Com. Rep. 138 on S.B. No. 754**

The purpose of this measure is to temporarily suspend the general excise and use tax exemptions for certain amounts received by certain persons and require the payment of both taxes at a rate of four per cent.

This measure also provides that the existing general excise tax exemption for nonprofit organizations, with the exception of the value or gross income received by nonprofit organizations from certain conventions, conferences, trade shows, or display spaces, is excluded from the temporary tax suspension.

Your Committee on Conference has amended this measure by including language to provide that the temporary suspension of tax exemptions shall not apply to gross income or gross proceeds from stevedoring services and related services furnished to a company by its wholly owned subsidiary.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 754, 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. 754, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Kidani, Kim, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 4, Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

Representatives M. Oshiro, Chong, Choy, M. Lee and Riviere.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Chong, Riviere).

**Conf. Com. Rep. 139 on S.B. No. 1186**

The purpose of this measure is to address the State's budget shortfall by increasing state revenues from the transient accommodations tax.

Specifically, this measure, from July 1, 2011, to June 30, 2015:

- (1) Imposes a minimum daily tax on transient accommodations furnished at no charge;
- (2) Increases the tax rate on resort time share vacation units by an additional two per cent to conform with the tax rate on other transient accommodations; and
- (3) Limits the transient accommodations tax revenue distribution to the counties to approximately the same amount distributed in fiscal year 2009-2010.

Your Committee on Conference finds that this measure is intended to temporarily increase and preserve the amount of state revenues derived from the transient accommodations tax and is a necessary component of the package of legislation aimed at addressing the State's current economic crisis.

Your Committee on Conference has amended this measure by:

- (1) Removing the time limit on the daily tax of \$10 and clarifying that the tax applies to every transient accommodation that is furnished on a complimentary or gratuitous basis or otherwise at no charge, including that furnished as part of a package;
- (2) Eliminating the provision increasing the tax rate on resort time share vacation units;
- (3) Limiting transient accommodations tax revenues deposited into the tourism special fund from July 1, 2011, to June 30, 2015, to no more than \$69,000,000 per fiscal year;
- (4) Capping the total amount of transient accommodations tax revenues distributed to the counties from July 1, 2011, to June 30, 2015, to \$93,000,000 per fiscal year;
- (5) Eliminating the provision specifying how the allocations of the transient accommodations tax to the counties are to be made; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1186, 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. 1186, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Ige, Kouchi, English and Tokuda.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

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

**Conf. Com. Rep. 140 on H.B. No. 1020**

The purpose of this bill is to improve the management of the Aloha Tower area in light of the elimination of the operating budget of the Aloha Tower Development Corporation (ATDC) by, among other things:

- (1) Clarifying current statutory language establishing the boundaries of the Aloha Tower Complex;
- (2) Retaining ATDC but placing it under the Department of Transportation (DOT) for administrative purposes;
- (3) Reducing the number of members of the Board of Directors of ATDC from seven to three, consisting of the Director of Transportation; Deputy Director of Transportation, Harbors Division; and Director of Business, Economic Development, and Tourism;
- (4) Clarifying and stipulating what moneys will be credited to the Aloha Tower Fund, including moneys received by DOT rather than the Department of Business, Economic Development, and Tourism;
- (5) Limiting the use of Aloha Tower Fund monies for certain costs related to lands located seaward of Nimitz Highway and between Pier 4 and Pier 11, rather than between Pier 4 and the Honolulu International Airport;
- (6) Authorizing the use of Aloha Tower Fund monies for lease payments to DOT;
- (7) Repealing the Harbors Modernization Group; and
- (8) Appropriating an unspecified sum from the Aloha Tower Fund to DOT for operating expenses for ATDC.

In 1981, it was determined that lands encompassing the Aloha Tower Complex along the Honolulu waterfront were a valuable asset that should be redeveloped, renovated, and improved to better serve the economic, maritime, and recreational needs of the people of Hawaii. To accomplish this task, the ATDC was established. However, recent difficulties faced by the ATDC forced the Legislature to rethink its position regarding its viability, and accordingly, ATDC's operating budget was eliminated in 2010. In light of this, your Committee on Conference finds that placing ATDC under DOT for administrative purposes and reducing the memberships of ATDC's

Board of Directors from seven to three to included the Director of DOT, Director of DBEDT, and Deputy Director of Transportation-Harbors Division, among other things, is the right step to improve the overall management of the Aloha Tower Complex and enhance the overall economic viability of the area.

Your Committee on Conference has amended this bill by:

- (1) Deleting language directly appropriating monies from the Aloha Tower Fund to DOT for operating expenses for ATDC but rather inserting language lapsing the balance of the Aloha Tower Fund into the Harbors Special Fund to be used by DOT for the operating expenses of ATDC;
- (2) Changing its effective date to July 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. 1020, 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. 1020, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Solomon, Kim, Kidani and Slom.

Managers on the part of the Senate.

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

Representatives Souki, Chang, Ichiyama, Har, Tokioka and Johanson.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Har, Tokioka).

**Conf. Com. Rep. 141 on H.B. No. 1039**

The purpose of this bill is twofold. First this bill would mitigate the impact of sudden and severe economic events on concessionaires that operate at Hawaii's airports by:

- (1) Amending the authority granted to the Governor by Act 33, First Special Session Laws of Hawaii 2009, to provide rent relief to certain airport concessionaires to include providing rent relief to those concessionaires that do not have a self-adjusting rent formula; and
- (2) Extending the sunset date of Act 33 from July 1, 2011, to July 1, 2013.

This bill would also aid the State in addressing its current fiscal crisis while continuing to assist the rental motor vehicle industry develop necessary airport infrastructure by:

- (1) Increasing the motor vehicle rental surcharge tax from \$2.00 per day to \$7.50 per day until June 30, 2013;
- (2) Depositing \$4.50 of the motor vehicle rental surcharge tax levied into the general fund until June 30, 2013;
- (3) Suspending until June 30, 2013, the \$4.50 per day rental motor vehicle customer facility charge authorized by section 261-7, Hawaii Revised Statutes; and
- (4) Inserting provisions that authorize the issuance of general obligation bonds for the purpose of constructing car rental facilities at various airports throughout the State.

Due to sudden, extraordinary, and severe economic events that played a significant role in creating economic difficulties for the airport concessionaire industry, the Legislature granted the Governor the authority to provide relief to various airport concessionaires pursuant to Act 33, Special Session Laws of 2009. According to the airport concessionaires, however, that relief was inequitable, because it applied only to those concessionaires that had a self-adjusting eighty-five per cent guaranteed rent formula that provided relief in the event of adverse economic occurrences. This measure addresses this inequity by providing rent relief to those concessionaires that do not have a self-adjusting rent formula.

Like airport concessionaires, Hawaii's rental car industry plays a vital role in our most important industry, tourism. To provide better service to customers renting vehicles at the state's airports, improvements needed to be made to the many facilities located at the airports that serve rental car customers. Despite the substantial financial contributions rental car companies make to the state airports system, improvements of rental car facilities have not been high on the priority list for repair and improvements. As such, Act 226, Session Laws of Hawaii 2008 (Act 226) was enacted to allow DOT to establish and collect rental motor vehicle customer facility charges for deposit into a special fund to be used for these improvements. In 2010, the rental motor vehicle customer facility charges were increased to provide a funding source to fast-track improvements to car rental facilities at Hawaii's airports.

However, the State is currently facing some of the most difficult economic periods it has ever experienced forcing the Legislature to search for additional sources of revenue. Your Committee on Conference notes that temporarily increasing the motor vehicle rental surcharge tax \$7.50 per day and depositing \$4.50 of that increase into the general fund is expected to generate approximately \$60 million in general fund revenues and is necessary in assisting the State in addressing its fiscal needs.

Your Committee on Conference has amended this bill by:

- (1) Increasing the motor vehicle rental surcharge tax for a period of one-year instead of two-years;
- (2) Suspending the \$4.50 per day rental motor vehicle customer facility charge authorized by section 261-7, Hawaii Revised Statutes, for one-year;

- (3) Deleting the provisions that authorize the issuance of general obligation bonds for the purpose of constructing car rental facilities at various airports throughout the State;
- (4) Inserting a severability clause; 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. 1039, 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. 1039, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Ige, Kim and Kouchi.

Managers on the part of the Senate.

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

Representatives Souki, M. Oshiro, Chong, Choy, Ichiyama, M. Lee and Johanson.

Managers on the part of the House.

Ayes, 7. Noes, none. Excused, none.

**Conf. Com. Rep. 142 on H.B. No. 1568**

The purpose of this bill is to protect Hawaii's natural environment from the threat of invasive species and assist Hawaii's agricultural industry by authorizing the issuance of general obligation bonds for the Department of Transportation (DOT) to design and construct biosecurity and inspection facilities for the Department of Agriculture (DOA) at Hawaii's airports and harbors.

Hawaii is an island state with numerous fragile ecosystems that can be destroyed by the introduction of invasive species, including noxious weeds, insects, and other pests. Such destruction not only threatens Hawaii's natural environment but also harms our economy, agricultural industry, and the health and lifestyle of our residents. Unfortunately, Hawaii is also one of the most isolated populated land masses in the world, which forces us to import most of the products that we use, thereby creating transportation pathways for invasive species to arrive in our state. Stopping the threat of invasive species at these ports of entry by constructing and operating biosecurity facilities is the most effective and economical means of protecting our islands.

The biosecurity facilities will also serve as a barrier to the exporting of invasive species to other parts of the world, which could result in embargos and quarantines of produce and other goods from Hawaii. Proper inspection facilities will provide safeguards and will also assist the agricultural industry in alleviating the delay experienced when shipping perishable items out-of-state.

Your Committee on Conference has amended this bill by:

- (1) Requiring DOT to coordinate with DOA to facilitate the inspection, consolidation, deconsolidation, and treatment of imported and exported agriculture and other inspected commodities to meet the needs of each island and to facilitate the safe movement of enplaned and deplaned air cargo through the airports;
- (2) Requiring DOT to provide space at state commercial harbors for biosecurity and inspection facilities and to facilitate the safe and efficient movement of maritime cargo through the commercial harbors;
- (3) Requiring DOT and DOA to plan, design, and construct biosecurity, inspection, consolidation, deconsolidation, and treatment facilities for use by DOA to enhance the efficient and safe movement of imported and exported maritime cargo, to include food safety and food security guidelines and standards;
- (4) Deleting the authorization to issue general obligation bonds for DOT to design and construct biosecurity and inspection facilities for DOA at Hawaii's airports and harbors;
- (5) Changing its effective date to July 1, 2011; 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. 1568, 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. 1568, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs and Senate President on behalf of the Committee.

Senators English, Nishihara, Ige and Slom.

Managers on the part of the Senate.

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

Representatives Souki, Tsuji, Ichiyama, Hashem and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 143 on H.B. No. 200**

The purpose and intent of this measure is to appropriate funds for the operating and capital improvements budget of the executive branch for fiscal year 2011-2012 and fiscal year 2012-2013.

## I. INTRODUCTION

In 2009, the Legislature faced an unprecedented budget challenge of addressing a shortfall of approximately \$2.1 billion through the end of the fiscal biennium. After adopting a balanced budget and financial plan by session's end, the ensuing 2010 Legislature fared no better and was confronted with an additional budget shortfall of approximately \$1.2 billion over the remainder of the same period.

Your Committee on Conference finds itself confronted with another large shortfall, now estimated to be \$1.3 billion. Current events, in particular the March 11, 2011, earthquake in Sendai, Japan and the ensuing tsunami that devastated several communities, coupled with turbulent political upheaval in North Africa and the Middle East have dampened Hawaii's fragile economic recovery.

Nevertheless, your Committee on Conference is fortified by the lessons learned over the past several years and by the administration's positive direction as articulated in the Governor's "New Day" initiatives. These include promises to restructure and prioritize state programs. Accordingly, your Committee on Conference finds that the Governor should prudently use the economic downturn as an opportunity to take a long and hard look at the executive branch's organizational structure and develop proposals for the Legislature to evaluate.

Your Committee's guiding principles for the biennium budget were to first identify and support the State's core functions – those programs and services that the State should be providing – and second to make strategic investments in people and programs that encourage economic growth, lower long-term future costs, and provide meaningful public services.

Your Committee on Conference appreciates the efforts of all those who have provided input, including department directors who testified at pre-session briefings, the state employees who fielded hundreds of questions from legislators and staff, and the thousands of engaged citizens who shared with us their thoughts, hopes, and concerns.

## II. ECONOMIC OUTLOOK

### National Economic Outlook

Although the recession is thought to have ended in mid-2009, the Congressional Budget Office, which produces ten-year economic forecasts for the congressional budget committees, describes the current recovery and pace of growth as "anemic," noting that unemployment has remained high in this recession as payroll employment gained a mere seventy thousand jobs (or 0.06 per cent), on net, between June 2009 and December 2010, whereas in past recoveries, employment rose on average by 4.4 per cent in the same time frame.

The Congressional Budget Office estimates that after continued job losses in the near term, the economy is expected to add 2.5 million jobs per year over the next five years, bringing the unemployment rate down from 9.2 per cent to 5.3 per cent, which is close to the Congressional Budget Office's estimate of the economy's natural rate of unemployment of 5.2 per cent.

President Obama's *2011 Economic Report* reflects the view that the national economy is operating substantially below its potential level, as indicated by the elevated unemployment rate and continued stresses in the housing market in many areas; however, the economy is no longer on the brink of depression, growth has resumed, jobs are returning, and unemployment is falling.

The financial markets have improved as the stock market gained thirteen per cent in 2010 and have continued gaining into 2011. Your Committee on Conference recognizes that while the national economy is improving, it is improving at a much slower rate than many expected.

### The Economic Outlook for Hawaii

The University of Hawaii Economic Research Organization (UHERO) reports that "Hawaii's recovery continues to be led by the resurgence of the visitor industry" as evidenced by the 8.8 per cent increase in visitor arrivals year over year. However, the University of Hawaii Economic Research Organization and the Department of Business, Economic Development, and Tourism (DBEDT) caution that:

- "The surprisingly rapid pace of visitor industry rebound is unlikely to persist. Abroad, the sharp initial Asian pickup is now past, while rising energy prices and sovereign debt problems will weigh on growth elsewhere." DBEDT forecasts a more modest four per cent and 2.5 per cent increase in visitor arrivals for 2011 and 2012, respectively.
- "After improving from 6.9 per cent in January to 6.3 per cent in June, the seasonally adjusted statewide unemployment rate has remained stuck at 6.4 per cent through December 2010." However, UHERO sees broad based improvements in the economy for 2011 and 2012 as Hawaii's recovery strengthens and Oahu rail transit construction gets underway.
- "Hawaii's economy depends significantly on conditions in the U.S. economy and key international economies, especially Japan." The effects of the March 2011 earthquake, tsunami, and nuclear crisis in Japan are unknown, however global events and their ensuing repercussions have altered Hawaii's economic forecast in recent decades including the 9/11 terrorists attacks in 2001, SARS in 2003, and the H1N1-A virus in 2009.

## III. GENERAL FUND REVENUE OUTLOOK

By law, the Council on Revenues (Council) 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. Since the March 2010 forecast, the Council has both raised and lowered its prediction of tax revenues for the current fiscal year. The Council's most recent forecast on March 29, 2011, lowered the growth rate to -1.6 per cent. The erratic changes in the Council's forecasts, due largely to the income tax refund delay imposed by the prior administration, have hindered your Committee's ability to formulate a functional budget, as appropriation requests are largely based on original revenue projections that are no longer viable.

The administration based its original budget request on the Council's September 2009 projection of two per cent general fund tax revenue growth for fiscal year 2010-2011. Using this revenue projection, the budget deficit over the upcoming biennium was initially estimated at \$818.5 million.



On December 29, 2010, the Council revised its forecast upward from two per cent to three per cent, resulting in an anticipated gain of \$146.6 million in tax revenue through the end of the fiscal biennium. Incredulous that such an increase in revenue would materialize, neither the administration nor your Committee on Conference relied upon it.

On March 10, 2011, the Council revised its forecast downward from three per cent to 0.5 per cent, which resulted in a subsequent projected revenue reduction of \$243 million through the end of the fiscal biennium. Hours later, Japan was struck by a trifecta of disasters -- the 9.0 magnitude earthquake, deadly tsunami, and nuclear calamity. The disasters were unimaginable, devastating the Japanese people, causing unprecedented damage, and crippling Japan's economy.

Given Japan's significant share in the State's tourism market, the Council was called back into session and convened on March 29, 2011, to re-evaluate its March 10, 2011, meeting projection in anticipation of declining numbers of Japanese visitors.

Although the Council lowered the projection to -1.6 per cent, which resulted in an additional revenue loss of \$93.1 million for fiscal year 2010-2011 alone, and a loss of \$311.7 million through the end of the fiscal biennium, the Council adjustment was due more in part to poor tax collections in February 2011 than the tragic events in Japan. In fact, some of the Council members noted that they did not see the events in Japan as having long-term effects on the State's economy.

With the revised revenue levels, a net \$1.3 billion deficit is projected over the biennium. However, despite the downward revenue projections for the current fiscal year, the Council retained its March 10 revenue growth forecast for fiscal year 2011-2012 of eleven per cent and maintained the previous forecast for fiscal years 2013-2017 at six per cent. The forecast was rationalized by the Council Chair's optimistic statements that the two most important core components of Hawaii's general fund revenues, general excise and use taxes and withholding taxes on wages, continue to grow at rates consistent with economic recovery.

Given the global and economic uncertainties and the recent volatility in the Council's projections, it is with great caution that your Committee on Conference accepts the Council's current revenue projection and notes the significant downside risk that exists for the revenue growth assumptions for the budget planning period.

#### IV. BUDGET OVERVIEW

The budget deficit through the end of the next biennium is now estimated to be \$1.3 billion. This follows two consecutive years that have required state government to address shortfalls of \$2.1 billion and \$1.2 billion, respectively. These are momentous amounts, given that current year authorized spending for the executive branch of government is approximately \$5 billion.

Various measures were implemented to address the prior budget shortfalls. These began with wholesale reductions of up to twenty per cent of what was deemed discretionary spending and the use of American Reinvestment and Recovery Act of 2009 (ARRA) funds to supplant general fund spending.

As the revenue picture further deteriorated, the Governor implemented across the board spending restrictions equivalent to the savings that three furlough days per month would yield. Departments met these required savings targets most notably through the implementation of two furlough days per month. A reduction in force of approximately one thousand state workers, the reduction of vacant positions, and a number of other measures were implemented to further reduce state spending.

This legislative session, the executive budget initially proposed to the Legislature was principally prepared by the prior administration. At the program level, it basically sought to maintain spending levels of the current fiscal year. Of the budget adjustments it proposed, several were significant. The initially proposed budget recognized the loss of ARRA funds, the significant Medicaid shortfall, and higher debt service payments. Amounts previously reduced to reflect furlough savings were also restored, reflecting uncertainty of the labor savings component. These adjustments, largely non-discretionary in nature, resulted in a request to add \$624.9 million for fiscal year 2011-2012 and \$810.6 million for fiscal year 2012-2013.

On February 22, the new administration submitted a request to add an additional \$133.8 million for fiscal year 2011-2012 and \$160.3 million for fiscal year 2012-2013. This includes about \$100 million over the biennium to address immediate needs of state programs as determined by the new administration, \$54.3 million per year for Employer-Union Health Benefits Trust Fund payments, \$49.5 million per year for the Temporary Assistance for Needy Families (TANF) Program, \$13.2 million per year to address Medicaid needs related to the Compact of Free Association (COFA), \$36.8 million for a deferred Employee Retirement System (ERS) payment, and the reduction of \$75 million over the fiscal biennium for Medicaid to reflect the scaling back of benefits.

The House of Representatives passed a draft of the budget that accepted the initially proposed budget adjustments, including \$200 million to end furloughs, Medicaid healthcare payments totaling \$536.4 million in general funds and matching federal funds, and provided \$36.8 million for delayed ERS payment for fiscal biennium 2011-2013. The House draft also took under advisement the February 22 Governor's Message to allow further consideration and development of a revenue plan to fund these initiatives.

Further, where the House draft reduced appropriations for operational expenditures by approximately \$120 million, it was the intent of the House of Representatives to support the Governor's retooling and restructuring effort by providing the Governor with great flexibility to allocate resources appropriated to the executive branch of government. As such, these reductions did not target specific programs, but rather have relied upon the departments' program expertise and the abilities of the new administration to determine where they could generate savings or cut waste.

The Senate's draft of the executive budget was largely premised upon the need to maintain a significant labor savings component of the budget through collective bargaining cost item adjustments. Though the Senate draft provided funding to maintain the current level of instructional school days, the Senate otherwise expected the same level of labor cost savings assumed for the current fiscal year to be realized. Additionally, the Senate reduced \$30.3 million budgeted per year for vacant positions

However, the Senate also funded the majority of the administration's initial appropriation requests contained in the executive budget and a number of the new administration's supplemental appropriation requests. These included about half of the new administration's requests for an additional \$100 million over the biennium to meet immediate needs of state departments, as well as significant funding for Medicaid, TANF and COFA related requirements.

Your Committee on Conference was tasked with development of a responsible budget that finds common ground and compromise between the various drafts of the executive budget. A balanced approach was taken that incorporates various components of drafts prepared by the House of Representatives and the Senate.

First, your Committee on Conference reflects labor savings in the amount of \$88.2 million per year as a lump-sum reduction to the Department of Budget and Finance. Your Committee on Conference intends that the administration transfer labor savings resulting from collective bargaining agreements into the department to restore this reduction.

Second, all reductions made to state programs in drafts of the budget proposed by the House of Representatives and the Senate were evaluated. In many cases, reductions made to programs that are contained in this draft of the budget are tempered from that proposed in either the House or Senate draft.

Third, a lump-sum reduction in the amount of \$50 million per year was placed in the Department of Budget and Finance to provide the Governor with maximum flexibility to allocate the reduction among the executive branch of government. Your Committee on Conference has heard the Governor's desire to reprioritize and retool state government and his counsel against excessive "horizontal" reductions. Your Committee on Conference has provided the Governor with the authority to allocate this reduction to state programs and encourages the administration to carefully assess how resources should be allocated and from what programs funds shall be transferred to the Department of Budget and Finance to restore this reduction. Transfers made from state programs to restore this reduction shall be made in conjunction with the Governor's efforts to reprioritize state government.

Finally, your Committee on Conference thoroughly reviewed each of the Governor's requests for additional resources. Your Committee on Conference funded many of these requests, as they pertain to maintaining the safety net and the restoring the ability of government to perform certain necessary functions. Your Committee on Conference notes that many difficult choices were made and that many funding requests could not be accommodated.

Your Committee's adjustments to the executive budget have resulted in the general fund reduction of \$259.8 million for fiscal year 2011-2012 and \$358.8 million for fiscal year 2012-2013 from amounts requested by the administration. This is a reduction of about \$618.6 million over the fiscal biennium, nearly half the amount needed to close the budget gap.

## V. DEPARTMENT HIGHLIGHTS

### Human Services

The prolonged economic recession has fostered exponential growth in the demand for social services. Your Committee on Conference recognizes the importance of providing core services to individuals and families in need and remains committed in its support of the Department of Human Services' efforts to deliver assistance to Hawaii's vulnerable populations.

The department faces several challenges in providing social services to the State's needy populations under the current fiscal constraints. The reduction-in-force (RIF) eliminated three hundred sixty-five positions across the department, creating backlogs and limiting contract oversight in a number of programs.

As health care costs continue to rise and enrollment levels climb, closing the Medicaid shortfall remains a daunting task. The MedQUEST Division has accommodated a twenty-five per cent enrollment increase while managing a forty per cent staff reduction and twice monthly furloughs. These economic straits are further exacerbated by carry-over deficits from the previous administration's short-sighted delayed payment strategies.

Medicaid plays a vital role in the lives of more than twenty per cent of Hawaii's residents. In an effort to continue delivering needed medical services to Hawaii's vulnerable population, your Committee on Conference provided an additional \$248.2 million in fiscal year 2011-2012 and \$288.2 million in fiscal year 2012-2013, which will be matched with federal dollars, to fund health care payments for Medicaid beneficiaries.

However, in prior years, your Committee on Conference has cautioned the department on the fiscal limitations of the general fund and the risks Medicaid expansion would create. Unfortunately, the department's failure to make timely reductions has resulted in the need for dramatic benefit changes to ensure funds remain available for critical medical services.

Your Committee on Conference has accepted the Governor's proposal to save \$150 million over the next fiscal biennium by reducing Medicaid benefits. Indeed, this marks a crossroad for many beneficiaries who have grown accustomed to unlimited services, no co-pay, no premiums, and zero deductibles. Unfortunately, with the increased demand for government subsidized health care and anticipated decrease in the federal medical assistance (FMAP) percentage reimbursements, these types of plans are unsustainable.

Your Committee on Conference finds that leveraging state funds to bring in substantial federal matching funds to mitigate state costs is fiscally prudent. As such, your Committee on Conference agreed to \$70,400 in general fund expenditures to implement the Electronic Health Record Incentive Program, which will receive \$668,232 in federal matching funds.

The modernization of Hawaii's information systems is pivotal to the department's ability to deliver services and generate increased access among Medicaid beneficiaries. As such, your Committee on Conference agrees with the expenditure of \$2.9 million in general funds to receive \$26.5 million in matching federal funds for a new MedQUEST Division computer-based eligibility system. The new system will help to ease the State's transition into manageable health care and expedite the delivery of services where they are needed most.

Congress enacted the federal Personal Responsibility and Work Opportunity Act in 1996. At that time, the United States government made the decision to no longer extend medical benefits to members of the Compact of Free Association (COFA) and gave individual states the choice to continue Medicaid services to COFA members with the understanding that they would no longer receive federal support for this population. Given Hawaii's unique location and high concentration of COFA migrants, the decision was made to provide COFA migrants the same Medicaid packages offered to similarly situated Hawaii residents.

In 2010, the previous administration attempted to achieve cost savings by moving the COFA population to a limited plan entitled, Basic Health Hawaii, which offered limited visits and reduced the types of services available to COFA beneficiaries. On December 13, 2010, a federal court found this change caused irreparable harm to COFA residents and issued an injunction mandating the State to reenroll all COFA migrants to their original programs, reinstate all benefits, and expedite delivery of services regardless of reenrollment processing.

Your Committee on Conference recognizes the immediate effects of this ruling and accepted the Governor's proposal to appropriate \$13.2 million in general funds to reinstate Medicaid benefits to COFA clients for fiscal year 2011-2012. Additionally, despite the federal government's position that state financed Medicaid benefits to COFA migrants will not be supported with federal dollars, your Committee on Conference believes that the federal court mandate to provide COFA migrants uninterrupted Medicaid benefits may be cause for Congress to reconsider a provision for federal funds. Given the Lieutenant Governor's focus on obtaining federal funds, your Committee on Conference believes this area should be his top priority. As such, Medicaid benefits to COFA clients are reflected as federal expenditures for fiscal year 2012-2013.

Work opportunities and cash assistance for Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) remain priorities in the State's efforts to help Hawaii residents through the economic recession. However, the previous administration's excessive contract expenditures, unfettered spending of ARRA funds, and liberal extensions of cash assistance payments beyond federal guidelines has left the TANF reserve fund insolvent.

Despite your Committee on Conference's forewarning of the inevitable expiration of emergency contingency fund extensions, the department failed to reexamine TANF expenditures and maintain sustainable contract levels when reserve funds were still available. Recently, nonessential contracts amounting to \$33 million were notified of early termination in January of 2011, and emergency appropriations were necessary to meet the department's remaining commitments for the current fiscal year.

The department has implemented the reduction of low priority contracts and has prioritized available funds for important purpose one and two services. These services provide Hawaii's residents with the opportunity to become self-sufficient. As such, your Committee on Conference has provided \$45.2 million for TANF programs and \$12.8 million for TANF and TAONF cash assistance payments over the fiscal biennium.

The dire economic conditions of the last few years increased the amount of Hawaii's residents living below federal poverty levels from five per cent in 2007 to over nine per cent in 2010. Shelters across the State are at capacity and are forced to turn away many of Hawaii's homeless. To support the Governor's efforts to extend services and shelter accommodations to the growing levels of homeless, your Committee on Conference has approved \$1.6 million for shelter support contracts and the addition of three new shelters in Maui, Waianae, and Kona.

In addition, the Preschool Open Doors Program offers TANF recipients a means of providing children with educational opportunities while parents work towards self-sufficiency through state subsidies. Early childhood education plays an integral role in the development of Hawaii's youth, and affordable childcare allows many parents to engage in work opportunities. To support the valuable services the program offers, your Committee on Conference has provided \$1.6 million in subsidy assistance.

By design, TANF block grant resources allow states the flexibility to shift resources and develop innovative programs to achieve desired outcomes. To balance this flexibility and to ensure accountability, your Committee on Conference has crafted reporting requirements to clearly communicate how the programs are achieving their intended purpose.

#### Health

Your Committee on Conference recognizes the importance of prioritizing health and safety. The Department of Health lost three hundred fifteen positions in the recent RIF. As a result, the programs and their contracted service providers have operated with significantly less resources. This loss is compounded by the anticipated decrease in the FMAP reimbursements that have assisted several programs in this tough economic climate. Mental health and developmental disabilities programs have been hit especially hard by prior budget reductions and will be greatly affected by the impending FMAP decrease. A Child and Adolescent Mental Health Division Program has already closed for lack of funding, leaving Hawaii County with no community-based residential program.

Many other programs are also on the cusp of closing and cannot endure further reductions. The Developmental Disabilities Division has had to impose a fifteen per cent reduction on its service providers, which has caused concern of another federal lawsuit if funding is not ultimately restored. Your Committee on Conference is aware of the dire situation these programs are in and has provided the following support in accordance with corresponding FMAP reductions:

- \$3.3 million for fiscal year 2011-2012 and \$3.4 million for fiscal year 2012-2013 for the Adult Mental Health Division;
- \$2.4 million for fiscal year 2011-2012 and \$2.5 million for fiscal year 2012-2013 for the Child and Adolescent Mental Health Division; and
- \$9.9 million for fiscal year 2011-2012 and \$11.2 million for fiscal year 2012-2013 for the Developmental Disability Division.

The Early Intervention Program also faces a shortfall resulting from a reduction of Medicaid and Tobacco Settlement moneys. The Early Intervention Program provides services to infants and toddlers under the age of three who have, or are at risk for, developmental delays. Your Committee on Conference also understands that reduced funding will result in tighter eligibility criteria and could put the State in noncompliance with federal requirements. As such, your Committee on Conference has provided \$2.1 million to fund the program's projected deficit.

#### Education

Your Committee on Conference remains aware of the national embarrassment caused by Furlough Fridays. For the 2009-2010 school year, schools closed seventeen days due to furloughs. While students were able to have a full school year for 2010-2011, furloughs are still taken on non-instructional days and twelve-month employees have thirteen furlough days. Your Committee on

Conference expects that the furlough restoration will allow the continuation of the current level of instructional school days at public schools.

In July 2010, the Department of Health terminated providing direct services for eligible special needs students due to budget restrictions. Recognizing the importance of offering these services, Your Committee on Conference supports the department's request to add \$2.1 million to sustain the level of contracted nursing services for the Individuals with Disabilities Education Act and Section 504 eligible students. Additionally, your Committee on Conference has approved the conversion of forty educational assistants from temporary to permanent status to alleviate the high turnover rate habitually associated with these positions.

Your Committee on Conference also added three positions to aid the department in internal audits and investigation. Your Committee on Conference hopes that the department will work with the newly appointed Board of Education to identify troublesome issues and provide viable solutions.

While agreeing with some of the department's budget recommendations, your Committee on Conference remains concerned by the significant student transportation contract costs reflected in the department's budget request. The estimated cost to provide student transportation has risen to about \$1,000 per regular education rider; whereas, the approximate general fund cost to educate a student is about \$5,500.

Furthermore, the appropriation has not covered the actual costs of transportation for several years. Even with continued requests from the Legislature to the department to address the exorbitant contract costs, the department has allowed the student transportation program to run at a significant deficit, simply utilizing funds from other sources rather than make concerted efforts to bring down costs.

Equally troubling is the fact that competition for bus contracts is practically negligible: once a company receives the contract for a route, other companies will not typically compete for that contract resulting with a situation whereby the State pays the only submitted bid price. Your Committee on Conference feels that a thorough evaluation of the student transportation program is necessary.

As such, your Committee on Conference does not support the department's request for student transportation contract costs for fiscal year 2012-2013. Your Committee on Conference has disapproved the requested \$19.6 million and has further reduced the department's transportation budget by an additional \$20 million for these costs. The remaining appropriation for fiscal year 2012-2013 will allow for the continuation of mandated transportation for qualifying special education students. Your Committee on Conference requests that the department complete a comprehensive alternatives analysis to assess various options and evaluate needed service levels to provide meaningful data to address this issue.

It is the intent of your Committee on Conference for the Legislature to revisit this issue once the department provides sufficient justification for transportation services.

While your Committee on Conference acknowledges the department's statutory authority to transfer funds between programs, this authority was granted to the department to provide a certain level of flexibility to cope with pressing issues, not to allow it to circumvent the Legislature's authority to allocate resources. Your Committee on Conference expects that, prospectively, the department will submit requests to the Legislature to appropriate or reallocate resources where they are needed, especially when transferring resources from schools (EDN 100 and EDN 150) to administrative offices (EDN 200 and EDN 300).

#### Charter Schools

Your Committee on Conference continues to support comparable funding for charter school students. Although your Committee on Conference understands that charter schools are allowed to operate independently, your Committee on Conference continues to have considerable concerns, especially with how these schools utilize state funds.

Over-projection of enrollment numbers has historically been an issue. The Legislature attempted to counteract the frequent over-projection of enrollment numbers by establishing a charter schools account within the state treasury where any appropriation amount exceeding the verified enrollment amount would be held. As of the current fiscal year, \$3.5 million has already gone into the account since the projected enrollment count originally provided by charter schools exceeded actual enrollment by nine hundred twenty-eight students. Currently, the Charter School Administrative Office asks the various charter schools to provide a projected enrollment count without confirming whether certain numbers are realistic. Your Committee on Conference advises that the charter schools develop a more consistent method of verifying the projected enrollment counts provided by the individual charter schools.

Your Committee on Conference finds recent events and revelations regarding the Myron B. Thompson Academy troubling. While the progress of the charter school, their local school board, and the charter school review panel is commendable, further improvements can be achieved. The expectation of your Committee on Conference for charter schools is that, while charter school operations may be exempt from certain state laws, they are still accountable for the quality of the education provided to their students and for the responsible use and diligent oversight of state funds.

#### University of Hawaii

Your Committee on Conference recognizes the University of Hawaii as the State's premier institution for higher learning, a leading generator of economic growth and diversification, and a tremendous resource for the State of Hawaii. The university has managed significant budget reductions through enrollment management, offering fewer classes at certain campuses, enlarging the size of classes, hiring lecturers to fill instructional positions, and closing campuses during winter and spring breaks.

Your Committee on Conference notes that the current budget request for the collective bargaining costs for the University of Hawaii Professional Assembly (UHPA) are its first opportunity to consider the agreement. Although, your Committee on Conference believes the negotiated collective bargaining agreement may be overly generous, given the larger fiscal context and the State's need to achieve labor savings and other state collective bargaining agreements, your Committee on Conference has provided the university with the ability to fund its labor contracts with its special funds.

The current collective bargaining agreement with UHPA calls for the restoration of original salaries on July 1, 2011. Your Committee on Conference believes the university is fully responsible for funding these costs. Accordingly, your Committee on Conference has changed the means of financing for \$14 million in general funds to special funds. Further, the "pay back" of salary reductions implemented for the current fiscal biennium results in an additional public employer cost of \$1.6 million for fringe benefits for university employees. Your Committee on Conference intends that the university pay for these fringe benefits through the use of its special funds and executed a similar reduction in its general fund allocation.

As the Twenty-fifth Legislature determined, your Committee on Conference finds that the University of Hawaii should not request that cost items associated with its six-year collective bargaining contract with UHPA be supported by general funds. Clearly, the actions of this Legislature do not diminish the authority of future legislatures to appropriate or withhold resources. As such, your Committee on Conference encourages the Twenty-seventh Legislature to further review the appropriateness of the UHPA contract and determine whether its cost items should be approved.

Your Committee on Conference understands the University of Hawaii Community Colleges have experienced an unprecedented enrollment growth of thirty-five per cent, while enrollment at the University of Hawaii Hilo has increased by nineteen per cent. In order to meet the increased student demand, your Committee on Conference has provided \$6.6 million for the University of Hawaii Community Colleges and \$300,000 for University of Hawaii Hilo to ensure they are able to maintain services and sustain course offerings.

Your Committee on Conference recognizes the importance of the John A. Burns School of Medicine in teaching and training high-quality physicians, biomedical scientists, and allied health workers for Hawaii. To better identify costs associated with this program, your Committee on Conference has transferred 198.22 positions and \$34.9 million to a separate John A. Burns School of Medicine program ID.

#### Budget and Finance

Fixed costs such as debt service, retirement system, and health benefit payments comprise one-third of the total State's general fund budget. These components require annual increases based upon assumptions for interest rates, payroll growth, and membership growth, all of which are beyond your Committee on Conference's control.

The previous administration restructured debt service to provide immediate savings in prior years. However, this action simply pushed costs into current and future years. Your Committee on Conference must provide additional funding to meet higher debt service requirements that have resulted from the prior administration's actions.

The State's contribution to health benefit premiums is determined through collective bargaining. The current Governor's Message requests are based on a 60/40 per cent (employer/employee) split and incorporate rates from the December 2010 bargaining unit agreement. In March of 2011, health benefits premiums increased by approximately eleven per cent. Your Committee on Conference has agreed to fund this increase; however, your Committee on Conference has adjusted the amount so that employees share this burden equally with the State.

The Department of Budget and Finance struggles to provide even the basic fiscal and administrative services for the State due to a thirty-three per cent position reduction in the Administrative and Research Office and a thirty-six per cent position reduction in the Budget, Program Planning and Management Division. The Treasury Management Branch has likewise had to manage operations with reduced resources. Treasury deposit receipt processing increased from one-day processing to twenty-nine days and treasury investment pool processing increased from a standard processing time of two months to six months. Your Committee on Conference recognizes that the department's current staffing level is not operationally sustainable and has restored needed positions and funding.

Additionally, a combination of a hiring freeze and prior budget reductions has left the Hawaii Employer-Union Health Benefits Trust Fund (Trust Fund) severely backlogged. In December 2010, staff was unable to answer 1,389 incoming calls and had 2,135 unprocessed documents resulting in employees and dependents being unable to go to the doctor or fill prescriptions. The Trust Fund is also in the process of transitioning-in fifteen thousand Hawaii State Teachers Association members and is in need of additional personnel. Your Committee on Conference is dedicated to ensuring that core services are provided and has added positions and funds to alleviate the backlog for a smooth transition of Hawaii State Teachers Association members.

The Legislature enacted Act 177, Session Laws Hawaii 2007, which authorized the restructuring and relocation of the Public Utilities Commission (Commission) due to increased responsibilities in energy policy reform. In addition, the Legislature authorized and funded additional positions for this purpose. The Commission requested over \$5 million for the renovation and lease of commercial space. However, your Committee on Conference has learned of sufficient state-owned space that could be utilized for the Commission and has provided \$250,000 for office space renovation. Your Committee on Conference encourages the Commission to work with the Department of Accounting and General Services to obtain state-owned space and provide much needed savings to the State.

The Commission also requested eleven positions pursuant to Act 177 that will enhance the Commission's research capabilities and ability to adapt to changing market environments. Your Committee on Conference recognizes the importance of these positions to address significant policy issues facing the State and has provided the requested positions.

In light of both House and Senate hearings that uncovered several instances of the mishandling of money by state agencies, your Committee on Conference sees value in hiring a third-party consultant to review the policies and procedures of the state treasury and to provide investment advice. In an effort to support this initiative, your Committee on Conference has provided funding for this purpose.

#### Public Safety

Your Committee on Conference continues to support the recent efforts of the Department of Public Safety to provide secure incarceration for offenders and protection for the State's general population.

The department has faced hiring delays and the inability to fill positions and posts for the operation of a twenty-four-hour facility, which has required it to pull personnel from various posts to staff facilities such as the Kapolei court complex. As such, your Committee on Conference has provided the following:

- Fourteen deputy sheriff positions to staff the Kapolei court complex; and
- \$131,377 for six adult corrections officer positions in the Hawaii Community Correctional Center.

The level of staffing the Sheriff Division currently provides to neighbor island courts remains a concern. Your Committee on Conference encourages the department to increase efforts to recruit positions for neighbor islands where staffing levels are currently at minimal levels.

Your Committee on Conference appreciates the department's efforts to reduce high overtime costs through the utilization of a program that increases accountability and imposes consequences on habitual abusers. For fiscal year 2011-2012, \$3.5 million is budgeted to continue these efforts. Your Committee on Conference notes that this amount represents a reduction from an actual expenditure of \$6.8 million in fiscal year 2009-2010. Your Committee on Conference hopes to see continued overtime reduction in the future.

Your Committee on Conference recognizes the department's commitment to honor the intent of the Governor to return inmates home from out-of-state facilities, thereby reducing the amount of public dollars sent out of Hawaii. The department noted that a long-term plan for returning inmates is scheduled to be completed by December 2011.

However, your Committee on Conference is concerned that despite prodding from the State Auditor, the previous administration did not take a more proactive and timely approach to procure a new contract for out-of-state facilities that will house Hawaii inmates. Without more time allotted for planning and execution, the best procurement practices may not be adequately carried out, thus decreasing potential savings for the State. Your Committee on Conference looks forward to receiving more information and having timely status updates from the department on this important matter.

#### Land and Natural Resources

Since 2009, general funds for the Department of Land and Natural Resources have been reduced by twenty-eight per cent. General fund costs were shifted to federal or special funds wherever possible; however, special fund revenues have not increased to adjust for the additional burden. Furthermore, general funds are necessary to provide core activities such as law enforcement, permitting, and regulatory oversight when statutory or program restrictions are placed on the use of non-general funds.

The department began implementing fees at many state parks and facilities to offset costs. However, the Division of Conservation and Resources Enforcement (DOCARE) relies almost entirely on general funds. DOCARE has handled budgetary and personnel reductions by drastically reducing services. Patrols are no longer twenty-four hours/seven days a week and have been reduced by twenty per cent. Coverage area has decreased by thirty per cent and enforcement actions, such as arrests, citations, investigations, and inspections, are down by an average of thirty-four per cent. Your Committee on Conference realizes that protecting Hawaii's natural resources is an immense task and the safety of conservation officers is a top priority. As such, your Committee on Conference has provided \$250,000 to properly equip officers who are protecting our State's natural resources.

In light of damage inflicted on Keehi Harbor by the March 11, 2011 tsunami, your Committee on Conference has provided \$475,000 to the department to clear the harbor of sunken boats and debris.

The State Historic Preservation Division has been identified as a high risk grantee by the National Park Service and is at risk of losing its federal grant, which comprises thirty per cent of the division's budget. Without federal approval, the State Historic Preservation Division will not be authorized to conduct preservation efforts at national historic sites, nor will it be able to properly inspect project sites. This may have significant impact on the ability to implement construction projects. Your Committee on Conference understands that protecting the State's unique history is important. To this end, your Committee on Conference has restored seven positions to the State Historic Preservation. A portion of this addition will reinstate the Burial Sites Program previously absorbed by the Culture and History Branch in 2006.

#### Agriculture

Your Committee on Conference recognizes agriculture as an important component of Hawaii's economy. The forty-four per cent general fund reduction made in fiscal year 2009-2010 negatively impacted the Department of Agriculture and resulted in the delay of services and discontinuation of several functions. Your Committee on Conference is dedicated to promoting self-sufficiency, conserving resources, and preventing the introduction of invasive species in our State.

As of January 2011, additional retirements have left the Honolulu International Airport, which accounts for ninety-five per cent of the statewide airport system, with only five to seven plant quarantine inspectors daily. If this trend continues, it is estimated that about ninety per cent of the invasive species will avoid interception and pose a major threat to our State. Your Committee on Conference anticipates the lifting of the hiring freeze to fill the twenty-two plant quarantine inspector positions restored by the Legislature last year in the Plant, Pest and Disease Control program and fifteen additional positions throughout the department determined to be essential to operations. As such, your Committee on Conference has shielded the Department of Agriculture from reductions to enable adequate funding for these important positions.

Finally, your Committee on Conference continues to support the efforts to reduce general fund costs in these challenging economic times by changing the means of financing for twelve positions from general funds to special funds.

#### Business, Economic Development, and Tourism

The Department of Business, Economic Development, and Tourism is at the forefront of Hawaii's economic recovery. The department provides important services to the State's trade operations and adds to the collective wealth of Hawaii by stimulating local businesses and emerging industries through grant support, research and analysis, and investment opportunities.

The energy industry achieved significant growth and garnered a great deal of attention in recent years. As the nation worked to transition to renewable energy, Hawaii emerged as a model for several states on the implementation of exemplary energy programs. The program's successful solicitation of over \$59 million ARRA energy grants over the last biennium encourages the industry's growth and helps perpetuate Hawaii's commitment to achieve clean energy solutions.

Your Committee on Conference remains dedicated in its support of state energy projects and the advances the department has made in working towards the State's goal of seventy per cent clean energy and forty per cent renewable energy by 2030. In order to maintain State support in the growing industry and mitigate the loss of grant moneys, your Committee on Conference approved financing critical energy personnel through the Energy Security Special fund. However, the approaching expiration of federal energy grants for fiscal year 2011-2012 will result in a \$8.5 million reduction in the funds available to energy programs. As such, the department should be cautious of imprudent spending and engage in regular assessments of the energy program's needs. Your Committee on Conference encourages the department to budget appropriately and develop feasible expenditure plans for the upcoming fiscal biennium.

Aerospace is another industry that has received considerable national attention as a means of pioneering economic growth. As a state, Hawaii has been identified by the National Aeronautics and Space Administration as an ideal location for aerospace research and the development of next-generation space travel. Unfortunately, despite this recognition, the aerospace program within the department's Energy, Environment, and Aerospace division has been unable to participate in investment ventures due to limited funds and the division's emphasis on clean energy initiatives. In an effort to capture the growth potential of both the energy and aerospace industries, your Committee on Conference has created a new program for the Office of Aerospace, independent of Energy and Environment, thus allowing each division to focus on their unique industry needs.

With regard to organizational structure, your Committee on Conference notes that the department has a history of reorganizing its staff through the budget. This practice is demonstrative of the previous administration's penchant to employ questionable reorganization procedures that may have contributed to a number of grievances. As such, your Committee on Conference has rejected the department's request for those internal transfers that have not been adequately justified. Your Committee on Conference finds that the department should perform a comprehensive review of its operations and adopt a formal reorganization plan prior to submitting conforming requests through the budget process.

#### Taxation

From fiscal years 2008 to 2011, the Department of Taxation has faced reductions amounting to \$5.3 million and 43.5 positions. As a result, the quality of service provided to the public has suffered, including increased wait time for walk-in customers, delayed response to taxpayers under audit, and a forty-nine per cent reduction in call center pick-up rate.

Your Committee on Conference understands the increasing needs of the department resulting from the impending transition away from the consulting services of CGI Technologies and Solutions, Inc., while continuing to emphasize modernization and paperless practices. Therefore, your Committee on Conference has authorized the creation of nine information technology positions and has provided \$640,628 for fiscal year 2011-2012 and \$531,458 for fiscal year 2012-2013 to assist the department's modernization plan and the transition of programs performed by CGI to the department.

Every five years, by mandate of the Hawaii Constitution, a Tax Review Commission is created to review the State's tax structure and recommend revenue and tax policy. As such, your Committee on Conference has provided \$200,000 for the Commission to carry out its appointed duties.

Your Committee on Conference also recognizes that, in the current economic environment, finding new ways to generate revenue is a necessity. Therefore, your Committee on Conference has provided \$185,000 for the department to contract the services of the Multistate Tax Commission as another source of potential revenue.

#### Commerce and Consumer Affairs

The Division of Consumer Advocacy, Department of Commerce and Consumer Affairs, represents consumers before the Public Utilities Commission, which regulates rates and services offered by public utility and transportation companies. Eight positions under this office were reduced for vacancy savings in fiscal year 2009-2010. Act 130, Session Laws of Hawaii 2010, appropriated \$634,000 out of the Compliance Resolution Fund for fiscal year 2010-2011 to reinstate these positions. Your Committee on Conference has approved continued funding of these positions. In addition, your Committee on Conference has provided \$200,000 for consultant services regarding utility, communication, and transportation services.

Your Committee on Conference has provided the department with the spending authority to fully reimburse the Department of the Attorney General for the value of legal services received, which is estimated to be \$600,000. The funds will be transferred to the Department of the Attorney General.

#### Attorney General

Your Committee on Conference recognizes the importance of the Department of the Attorney General in its role as legal counsel for the State of Hawaii. Decreases in personnel and working hours have resulted in delayed responses to client agencies. In addition, reductions to the litigation fund have negatively impacted the department's ability to effectively fund expert witnesses, which has affected the credibility and quality of the legal representation the State receives in court proceedings.

Your Committee on Conference is committed to saving general funds by using non-general funds wherever applicable. As such, the Legal Services Division's general fund budget was reduced by using interdepartmental transfers to fund services provided to other departments. The department will be reimbursed as follows:

- The Department of Human Services has agreed to fund two deputies and one temporary deputy for a total of \$324,223;
- The Department of Education has agreed to fund two deputies for \$172,360, in exchange for the Department of the Attorney General funding one deputy at \$87,500; and

- \$220,000 from the Department of Commerce and Consumer Affairs to adjust for a new memorandum of understanding reimbursing the department for services totaling \$600,000.

These transfers save the State \$544,223 in general funds, as the Department of Human Services will be federally reimbursed and the Department of Commerce and Consumer Affairs is special funded through its compliance resolution fund.

#### Accounting and General Services

Your Committee on Conference recognizes the Department of Accounting and General Services' efforts to achieve its objectives despite severe personnel reductions. The department has adjusted schedules, work locations, and assignments in order to meet vital operating needs. Information and Communication Services Division personnel were decreased by thirty-six per cent over the past fiscal biennium and sustaining production capabilities is rapidly becoming a crisis.

Your Committee on Conference understands the importance of the Information and Communication Services Division to other executive departments and has restored eleven positions to help bring the division's data center back to twenty-four hours/seven days a week operations. With this addition, executive departments can begin to reduce their work backlog and improve services.

Although consumption levels of electricity, water, and sewage fell significantly in fiscal year 2010-2011, rates for these utilities have again increased. In an effort to alleviate these growing costs, your Committee on Conference has provided \$1,505,083 for fiscal year 2011-2012 and \$905,083 for fiscal year 2012-2013. However, your Committee on Conference encourages all departments to find savings in this area.

Your Committee on Conference is concerned over the procurement practices of state agencies. As such, your Committee on Conference has authorized and provided funding for five positions to the State Procurement Office. Among those positions are four purchasing specialists, which will enable the State to award and maintain additional contracts in a timely and efficient manner.

#### Transportation

Your Committee on Conference supports the Department of Transportation in its oversight and maintenance of the State's airports, harbors, and highways.

Significant reductions for both fiscal year 2009-2010 and 2010-2011 deferred scheduled maintenance projects in the department's Harbors and Highways Divisions. Your Committee on Conference recognizes that deferred maintenance in these areas compounds the eventual cost of repair. As such, your Committee on Conference has approved an increase in the Highways Division authority to utilize special funds in the amount of \$22.2 million for fiscal year 2011-2012 and \$58.4 million for fiscal year 2012-2013 for special maintenance projects across the State.

Your Committee on Conference understands the desire of the department to consolidate the highway programs of Maui, Lanai, and Molokai into a single program. As such, your Committee on Conference has approved the department's request to consolidate these highway programs into a single program. This will reduce administrative overhead and facilitate the transfer of funds between the islands.

#### Defense

As one of its guiding principles, your Committee on Conference recognizes the importance of maximizing federal funds. Accordingly, your Committee on Conference has provided \$369,101 in general funds that will net \$3.9 million in matching federal funds for fiscal year 2011-2012 and has provided \$418,202 in general funds with a \$763,201 federal funds-match for fiscal year 2012-2013. These funds will assist the juvenile justice and delinquency prevention program in delivering services, sustaining quality members in the Hawaii National Guard Youth Challenge Academy, and sufficiently staffing the emergency operating center for the State Civil Defense Division.

The State Civil Defense Division provides important emergency services to the State, including the coordination of private and public authorities, planning and mobilizing rapid response services and recovery efforts, and restoring essential public services. As such, your Committee on Conference has provided \$109,101 for fiscal year 2011-2012 and \$218,201 for fiscal year 2012-2013.

Your Committee on Conference also recognizes the valuable service and contribution of Hawaii's veterans. In light of these contributions, your Committee on Conference has provided \$634,491 for fiscal year 2011-2012 and \$3.2 million for fiscal year 2012-2013, which will be fully federally reimbursed, for repair and maintenance on all veterans' cemeteries statewide.

#### Labor

Your Committee on Conference finds that lack of employer confidence has kept unemployment levels at record highs. On December 17, 2010, President Obama signed the Tax Relief, Unemployment Insurance Reauthorization Act, which extended the Emergency Unemployment Compensation Program through January 3, 2012. This law will allocate \$262.2 million in federal funds to the State and will benefit nearly eighteen thousand of Hawaii's unemployed. Your Committee on Conference recognizes the augmented hardship of long-term unemployment in already difficult times and is supportive of the Department of Labor and Industrial Relations' efforts in garnering federal support to assist the State's displaced workforce.

Your Committee on Conference has ensured the continued viability of the Hawaii Occupational Safety and Health Division (HIOSH). The State's Occupational Safety and Health program has been in danger of decertification by the federal Occupational Safety and Health Administration. Decertification can result in loss of the program. If this were to happen, state and county workers may have less protection from certain health and safety laws. The requests approved by your Committee on Conference constitute the best possible solution to HIOSH's problems, given the circumstances.

#### Hawaiian Home Lands



Your Committee on Conference supports the Department of Hawaiian Home Lands' efforts to consolidate its programs. Your Committee on Conference has approved the department's request to consolidate the Management and General Support for Hawaiian Homesteads Program with the Planning and Development for Hawaiian Homesteads Program. Combining these programs will increase efficiency and the ability to distribute workloads as needed to assist the department's objective of placing native Hawaiians on Hawaiian Home Lands.

Your Committee on Conference recognizes that Act 14, Special Session Laws of Hawaii 1995, settled all claims made on behalf of the Hawaiian Home Lands Trust against the State between August 21, 1959, and July 1, 1988. The final \$30 million annual deposit will be received in 2014. Your Committee on Conference is concerned that the department has not provided a financial report that outlines its proposal to cope with discontinuation of the settlement funds. Your Committee on Conference believes that the six-year report should account for the drop off in funding and detail the department's plan to ensure that the department is able to meet its long-term objectives.

## VI. CAPITAL IMPROVEMENTS PROGRAM

Your Committee on Conference finds that well-maintained physical infrastructure and state facilities are essential to maintaining a positive business climate and a strong economic foundation, which will ultimately help to support the State's ability to navigate through the current, and any future, precarious economic conditions. Your Committee on Conference further finds that to combat the effects of the current recession and experience positive growth, the continued investment in our economy by various means is necessary. Investment in infrastructure and facilities is crucial for short-term economic growth and job creation.

Your Committee on Conference also finds that the need to invest in local infrastructure to help stimulate direct and indirect job creation is highly critical at this time. Expediency in the creation and maintenance of local construction jobs, as well jobs for architects, engineers, and other consultants associated with capital projects, will generate more disposable income, which will in turn circulate throughout our economy.

The impact of new bond issuances was of primary concern to your Committee on Conference, especially in light of the refinancing of general obligation bonds in 2009, which will result in substantial increases to debt service payments beginning in fiscal year 2015-2016. Further compounding this problem is that, because of an error in the accounting of general obligation bond authorizations for state education facilities improvement (SEFI) special funds, an additional \$390,000,000 needs to be appropriated for fiscal year 2011-2012 to ensure that sufficient resources will be available to cover contractual obligations that are currently encumbered.

While your Committee on Conference understands from both accounting and legal perspectives that the amount of general obligation bonds authorized and issued must equal the amount of SEFI funds appropriated and expended, the current problem the \$390 million is intended to fix is a manifestation of a larger, systemic problem with SEFI's financing mechanism that requires further evaluation and deliberation.

In exercising fiscal conservatism, your Committee on Conference has reevaluated the funding for prior appropriated executive budget projects and, as a result, has lapsed funding for several projects in the amount of \$27,144,640. These lapses represent unrequired balances for completed projects, funds for which the administration has denied allotment for various reasons, funds that the departments have indicated are otherwise unnecessary, insufficient, or for projects that are unlikely to be undertaken within the necessary timeframe to avoid standard lapsing, and funds that do not demonstrate the current priorities of the State.

Your Committee on Conference prioritized all general obligation/general obligation reimbursable bond-funded projects and recommended those deemed essential for health and safety and those that were identified as "shovel-ready" for immediate implementation. It was felt that these projects would fulfill the dual functions of protecting the public welfare while providing instantaneous stimulus to the State's economy.

The largest areas funded in this budget (all means of financing) are:

- (1) \$816,166,000 for the Department of Transportation (airports, highways, and harbors);
- (2) \$328,009,000 for the Department of Education, public charter schools, and public libraries;
- (3) \$174,195,000 for the University of Hawaii System; and
- (4) \$148,847,000 for the Department of Health and Hawaii Health Systems Corporation.

In addition, your Committee on Conference appropriated \$7,800,000 to repair and reconstruct infrastructure damaged by the tsunami that struck the State on March 11, 2011.

Lastly, your Committee on Conference appropriated \$20,000,000 for fiscal year 2011-2012 for grants to nonprofit organizations for facilities improvement and expansion. Continuation of the additional services provided to state residents by these nonprofit organizations is vital, especially given that the State may be forced to reduce services due to the current economic climate.

## VII. CONCLUSION

This budget is a major component of the solution to the severe financial situation facing the State. The Governor, the House of Representatives, and the Senate each presented proposals that assisted the open, honest, and collaborative discourse that has occurred this legislative session and represents decisions that will best move the State through these difficult times. Through hard work and cooperation, your Committee on Conference has amended this legislation to provide an appropriate allocation for core services in light of the State's fiscal situation.

In total, this budget appropriates \$5,443,934,015 in general funds and \$11,050,795,327 in all means of financing for fiscal year 2011-2012 and \$5,556,181,624 in general funds and \$10,919,085,554 in all means of financing for fiscal year 2012-2013. These figures represent reductions of \$259,811,507 in general funds and \$310,023,757 in all means of financing for fiscal year 2011-2012

and \$358,774,039 in general funds and \$403,044,203 in all means of financing for fiscal year 2012-2013 to the Governor's budget request.

Finally, your Committee on Conference has made numerous technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 200, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 200, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Dela Cruz, English, Espero, Fukunaga, Kahele, Kidani, Kim, Kouchi, Ryan, Tokuda and Wakai.  
Managers on the part of the Senate.

Ayes, 13. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, Cullen, Har, Hashem, Ichiyama, Jordan, Kawakami, C. Lee, M. Lee, Morikawa, Tokioka, Yamashita, Marumoto, Riviere and Ward.

Managers on the part of the House.

Ayes, 15, Ayes with Reservations (Riviere). Noes, none. Excused, 2 (Marumoto, Ward).

#### **Conf. Com. Rep. 144 on S.B. No. 120**

The purpose of this bill is to repeal certain special and revolving funds and to transfer to the general fund the following types of balances from non-general funds:

- (1) The remaining balances of funds that have already been repealed;
- (2) The unencumbered balances of special and revolving funds that are being repealed under this bill; and
- (3) The excess balances of other special and revolving funds that are not being repealed under this bill.

Additionally, this bill:

- (1) Converts certain revolving funds of the University of Hawaii into special funds and repeals other special and revolving funds of the University of Hawaii;
- (2) Redirects disbursements and revenues of the compliance resolution fund for the benefit of the general fund;
- (3) Temporarily lowers the amount of conveyance tax revenues that are required to be transferred from the general fund to the land conservation fund;
- (4) Temporarily redirects to the general fund, instead of the emergency and budget reserve fund and the Hawaii tobacco prevention and control trust fund, certain amounts of the tobacco settlement moneys in the Hawaii tobacco settlement special fund; and
- (5) Transfers a portion of the excess balance in the Hawaii tobacco prevention and control trust fund to the general fund over the next two fiscal years.

Your Committee has amended the measure by:

- (1) Clarifying that the health care revolving fund is an expired fund;
- (2) Adjusting the final figures for the excess balances that will be transferred to the general fund from certain special and revolving funds;
- (3) Deleting the amendments relating to the land conservation fund and modifying the amendments to the master settlement agreement money part of the measure by shortening the time period in which the tobacco settlement funds will be diverted to the general fund;
- (4) Deleting the Director of Finance's authority to transfer Hawaii tobacco prevention and control trust fund moneys to the general fund;
- (5) Requiring the Director of Health, with the assistance of the Director of Finance, to conduct a study of the Hawaii tobacco prevention and control trust fund regarding the level of moneys in the trust fund and the use of those moneys; and
- (6) Changing the effective date of the measure 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 S.B. No. 120, 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. 120, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Fukunaga, Kidani, Kim and Slom.

Managers on the part of the Senate.

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

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.

Managers on the part of the House.

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

## STANDING COMMITTEE REPORTS

**SCRep. 1 Education on S.B. No. 8**

The purpose of this measure is to implement the constitutional amendments to Article X, Section 2, of the Hawaii State Constitution that were adopted by the Legislature and ratified by the electorate in the 2010 general election. This measure statutorily requires the members of the Board of Education to be nominated and, with the advice and consent of the Senate, appointed by the Governor, and the intent of this measure is to expedite that process and respond to the voter mandate in a timely manner.

Your Committee received testimony in support of this measure from the Governor; the Office of Hawaiian Affairs; Hawaii Charter Schools Network; a member of the Board of Education; a member of the Kauai County Council; the Democratic Party of Hawai'i; Hawaii State Teachers Association; University of Hawaii Professional Assembly; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; The League of Women Voters of Hawaii; Hawai'i County League of Women Voters; Outrigger Enterprises Group; Kaneohe Ranch Management Limited; Fractured politics; the Chairperson, Vice-Chair, and several members of the Hawaii State Student Council; two members of the Central District Student Council; two members of the Honolulu District Student Council; a member of the Maui District Student Council; several members of Mililani High School student government; as well as students from Aiea High School, Hilo High School, J.B. Castle High School, Kalaheo High School, Kaiser High School, Radford High School, Waiakea High School in Hilo, Saint Francis School; and five individuals.

Your Committee received testimony in opposition to this measure from four individuals.

Your Committee received comments on this measure from the Campaign Spending Commission and one individual.

Your Committee finds that in November 2010, the people of Hawaii voted decisively to change from an elected to an appointed Board of Education, with fifty-seven percent of the voters in support of this significant constitutional amendment. During the current legislative session, the Board of Education will be responding to new statewide educational initiatives, a proposed new biennium budget, and reform measures that may result from the Department of Education's successful application for federal "Race to the Top" funds. Given the importance of establishing a clear line of accountability for these initiatives and educational governance, your Committee believes that an expedited process is critical to establish the implementing procedures for the appointment of Board members.

Your Committee has received strong supporting testimony on this measure and your Committee appreciates both the support and the thoughtful comments presented by many testifiers. Whether in agreement with the proposed procedures in this measure or not, it is obvious to your Committee that everyone who testified is committed to improving public education in Hawaii.

Your Committee has considered a number of recommendations to amend this measure, some of which are incorporated in the amended measure, and some of which are addressed to the Governor in the implementation of the new procedures.

Specifically, your Committee has amended this measure to:

- (1) Clarify that the student member shall:
  - (a) Be a voting member, but shall not vote on personnel matters;
  - (b) Meet the overall 2.0 grade point requirement established for student participation in co-curricular activities; and
  - (c) Be a student for the majority of either the first one-year or additional consecutive one-year term;
- (2) Broaden the issues for Senate consideration during the advice and consent process of the Governor's appointees, to include the families of students and the entire P-20 educational system;
- (3) Delete the Hawaii State Student Council procedures regarding the selection or election of the student member of the Board; and
- (4) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee further notes that a question regarding the requirement that all Board members be registered voters should not be a concern, as any resident may register to vote at age sixteen. Your Committee believes that this requirement would ensure that the student member has reached an age and level of maturity necessary for participation in the deliberations of the Board.

Your Committee believes that several other commendable recommendations would be better addressed by the Governor during the appointment selection process. In the spirit of expressing the views of various stakeholders involved in our educational system, your Committee encourages the Governor to consider the following recommendations presented to the Committee:

- (1) Include among Board of Education members:
  - (a) Native Hawaiian representation to reflect the fact that approximately thirty percent of public school students are Native Hawaiian;
  - (b) Charter school representation to reflect the President of the United States' federal charter school initiatives;
  - (c) Large organization or business experience to reflect the concerns and needs of the Department of Education and the substantial portion of the state budget under the control of the Department and Board; and
  - (d) Parents or other family members of public school students to reflect the population most impacted by Board decisions; and
- (2) Continue to involve the Hawaii State Student Council in the selection of the student board member.

Finally, your Committee has not designated a specific date by which the Governor shall appoint all members of the Board of Education, as this is a matter for further legislative discussion. However, your Committee is in unanimous agreement that the appointments should be made in a timely manner in order to complete the requirement for Senate advice and consent in the current legislative session. As the Governor said in his State-of-the-State address:

“[w]e need an immediate resolution to the appointed school board issue. ... I am already receiving applications and recommendations through the Governor’s website that will allow me to move quickly. This is the clear will of Hawaii’s people. I am prepared to act now.”

The legislature has received a very clear message from the voters and the Governor. Your Committee believes that this is an unprecedented opportunity to change public education for the better, and passage of this measure is a fundamental first step.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 8, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 8, 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. 2 (Majority) Judiciary and Labor on S.B. No. 232**

The purpose and intent of this measure is to extend the same rights, benefits, protections, and responsibilities of spouses in a marriage to partners in a civil union by recognizing the status of civil unions in Hawaii, without revising the definition or eligibility requirements of marriage under chapter 572, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from Governor Neil Abercrombie, Lieutenant Governor Brian Schatz, Board of Education member Kim Coco Iwamoto, Hawaii Civil Rights Commission Executive Director William Hoshijo, and a significant number of private organizations and concerned individuals. Your Committee received testimony in opposition to this measure from many private organizations and concerned individuals. Finally, your Committee received comments on this measure from several individuals.

Your Committee finds that the Legislature has considered the question of whether to recognize civil unions in our State several times over the last few years. In 2009, a bill substantially similar to the current measure, H.B. No. 444 (2009), was introduced in the House of Representatives. After lengthy public hearings and deep consideration, however, the measure foundered. The following year, during the 2010 Regular Session, H.B. No. 444, S.D. 1 (2009) was resurrected and subsequently passed both houses of the Legislature before the bill was ultimately vetoed by the then-Governor. The issue is once again before the Legislature.

Your Committee recognizes that there are strong opinions and persuasive arguments on both sides of this controversial issue, as expressed ably by advocates and concerned citizens in committee hearings during the course of the last few years. These arguments involve civil rights, religion, equal protection of the laws, the education of our children, and the very core question of how our society should function. Your Committee believes that the Legislature represents a useful public forum to continue the discussion among members of our community regarding the impact of civil unions in these areas. As such, your Committee scheduled this measure for hearing early in this legislative session and recommends that the Senate pass the measure as amended in order to provide a forum for thorough dialogue on this issue.

Accordingly, 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 232, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 2 (Gabbard, Slom). Excused, none.

**SCRep. 3 Ways and Means on S.B. No. 8**

The purpose of this measure is to establish statutory provisions that implement the constitutional amendments to article X, section 2, of the Hawaii state constitution that were adopted by the Legislature and ratified by the electorate in the 2010 general election.

Specifically, this measure:

- (1) Statutorily requires the members of the Board of Education to be appointed by the Governor with the advice and consent of the Senate;
- (2) Establishes factors for the Senate to consider in deciding whether to confirm nominees;
- (3) Directs the Governor to appoint all members of the Board of Education by an unspecified date in 2011; and
- (4) Makes conforming amendments to the Hawaii Revised Statutes to implement the new statutory provisions regarding the appointment of Board of Education members.

Your Committee received written comments on this measure. The written comments may be reviewed on the Legislature’s website.

Your Committee finds that Hawaii’s voters recently approved an amendment to the state constitution to require the Board of Education to be appointed by the Governor and no longer elected by the public. This measure establishes:

- (1) The process for appointment by the Governor and confirmation by the Senate; and

- (2) Membership requirements for the Board of Education, including providing for a student member.

Your Committee further finds that, in the coming year, the Board of Education will need to apply new statewide education initiatives and possibly reform existing educational processes to meet qualifications to receive federal Race to the Top funds. Therefore, it is imperative to establish and implement the process for selecting the leaders of Hawaii's public education system who will meet these challenges. Your Committee finds that this measure is intended to expedite the implementation of the amendments to the state constitution and respond to the voter mandate to establish an appointed Board of Education in a timely manner.

Your Committee supports the recommendations of the Committee on Education and urges the Governor to consider its suggestions relating to representation on the Board of Education. Further, your Committee encourages the timely appointment of members so that the Senate may undertake the confirmation process during the current legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 8, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Fukunaga).

**SCRep. 4 Health on S.B. No. 420**

The purpose and intent of this short form bill is to amend the law relating to health.

Your Committee has amended this measure by inserting language that appropriates funds to:

- (1) Provide quality, cost-effective health care for Hawaii residents who are uninsured, newly insured, or privately insured by supporting Hawaii's community health centers as they transform from the safety net to the backbone of the health care system by promoting person-centeredness, wellness, and healthy living; and
- (2) The Department of Health and the Department of Human Services to expand certain health care services to qualified individuals and to finance projects at designated health centers throughout the State.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

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. 420, as amended herein, and recommends that it be recommitted to the Committee on Health, in the form attached hereto as S.B. No. 420, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Wakai).

**SCRep. 5 Commerce and Consumer Protection on S.B. No. 1519**

The purpose and intent of this measure is to effectuate its title by amending sections of the Hawaii Revised Statutes relating to mortgage loan originators.

Your Committee has amended this measure by deleting its contents and replacing them with provisions that amend the Secure and Fair Enforcement of Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes, to:

- (1) Allow any persons exempt from licensing requirements to voluntarily register with the Nationwide Mortgage Licensing System for the purpose of sponsoring a licensed mortgage loan originator;
- (2) Require all licensed mortgage loan originators to be sponsored by an entity registered with the Nationwide Mortgage Licensing System;
- (3) Specify the procedure allowing an applicant to request an administrative hearing pursuant to the requirements of chapter 91, Hawaii Revised Statutes, and the rules of the Department of Commerce and Consumer Affairs to contest the denial of an application for licensure;
- (4) Establish the relevant factors in determining whether a consumer has received a tangible net benefit from a renegotiated residential mortgage loan for purposes of enforcement;
- (5) Clarify the procedure for the disposition by the Commissioner of Financial Institutions of abandoned or withdrawn applications for licensure;
- (6) Establish restrictions on allowable terms for residential mortgage loans issued by a licensee in this State;
- (7) Establish the duties of certain individuals who serve in a managerial capacity for regulated entities;
- (8) Establish restrictions on and requirements for fees that may be charged to a borrower by a licensee for securing a residential mortgage loan;
- (9) Define new terms, clarify the definitions of existing terms, and delete the definition of an obsolete term;
- (10) Authorize the Commissioner of Financial Institutions to access information submitted to the Nationwide Mortgage Licensing System by an applicant for licensure;
- (11) Clarify the process for automatic secondary review of applications for licensure that were initially determined to not meet the criteria for licensure;
- (12) Clarify requirements for entities that maintain headquarters outside of the State and perform regulated activities within the State;

- (13) Clarify confidentiality requirements for information contained in an application for licensure;
- (14) Specify certain prohibited practices for licensees;
- (15) Establish a registration fee for voluntarily registered entities that sponsor a licensed mortgage loan originator; and
- (16) Make conforming amendments.

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. 1519, as amended herein, and recommends that it be recommitted to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.B. No. 1519, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 6 Human Services on S.B. No. 425**

The purpose and intent of this short form bill is to amend the law relating to Medicaid.

Your Committee has amended this measure by inserting language that:

- (1) Establishes a wellness pilot program within Medicaid for Medicaid recipients or QUEST members, in order to foster prevention and proactive patient behavior to promote wellness and reduce the incidence of chronic illness; and
- (2) Appropriates funds to the Department of Human Services to establish the wellness pilot program within Medicaid.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

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. 425, as amended herein, and recommends that it be recommitted to the Committee on Human Services, in the form attached hereto as S.B. No. 425, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 7 Health on S.B. No. 411**

The purpose of this shortform bill is to amend the law relating to health.

Your Committee has amended this measure by inserting language that modifies the Board of Directors of the Hawaii Health Systems Corporation by:

- (1) Increasing its membership from twelve to thirteen members;
- (2) Giving voting rights to the Director of Health ex officio member;
- (3) Replacing the five Regional Chief Executive Officer ex officio voting members with community members from the respective regional system board regions; and
- (4) Adding an at-large member to be appointed by the governor.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

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. 411, as amended herein, and recommends that it be recommitted to the Committee on Health, in the form attached hereto as S.B. No. 411, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Shimabukuro).

**SCRep. 8 (Majority) Health on S.B. No. 414**

The purpose and intent of this shortform bill is to amend the law relating to the Hawaii Health Systems Corporation.

Your Committee has amended this measure to authorize the Hawaii Health Systems Corporation to mortgage its real property and to clarify the dollar cap on municipal leasing authority.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

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. 414, as amended herein, and recommends that it be recommitted to the Committee on Health, in the form attached hereto as S.B. No. 414, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (Shimabukuro).

**SCRep. 9 Transportation and International Affairs on S.B. No. 824**

The purpose and intent of this measure is to make null and unenforceable any portion of a motor carrier transportation services contract or agreement that requires the carrier to indemnify, defend, or hold harmless the other party to the contract from any liability for that party's negligence or intentional acts or omissions.

Your Committee received testimony in support of this measure from the Hawaii Transportation Association and Elite Limousine Service Inc.

Your Committee finds that motor carriers, including trucking and tour bus companies, are often required to sign transportation service contracts or agreements requiring them to indemnify the other party to a motor carrier transportation services contract for acts of negligence or intentional acts or omissions, regardless of who is actually at fault.

Your Committee further finds that while motor carriers should be held responsible for liability to the extent that the carrier is at fault, indemnification provisions can be unreasonable and place an undue burden on carriers since they are often not in a position to be able to refuse a transportation services agreement. In addition, indemnification provisions may eliminate the incentive for the other party to take precautions at their facilities to protect the persons and property being transported.

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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 824, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 824, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kouchi).

**SCRep. 10 (Majority) Transportation and International Affairs on S.B. No. 643**

The purpose and intent of this measure is to authorize the court to order the forfeiture of any vehicle owned by the defendant that is used in the commission of the instant offense of excessive speeding if the defendant was convicted of least two prior convictions for the same offense within five years to the instant offense.

Excessive speeding occurs when the vehicle is driven at a speed in excess of: (1) the applicable state or county speed limit by thirty miles per hour or more; or (2) eighty miles per hour or more irrespective of the applicable state or county speed limit. Your Committee finds that anyone having two prior convictions of excessive speeding is a hazard on the road to other drivers. This measure is in the interest of protecting the public health, safety, and welfare.

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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 643, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 11 Transportation and International Affairs on S.B. No. 1416**

The purpose and intent of this measure is to extend the period in which an owner of a new car is exempted from obtaining a certificate of inspection from two years to three years from the date of purchase.

Your Committee received testimony in support of this measure from the State Department of Transportation, Hawaii Automobile Dealers Association, Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental in Hawaii. Testimony in opposition to this measure was received from the City and County of Honolulu.

Your Committee finds that new cars sold within the State of Hawaii are covered under warranties lasting three years or thirty-six thousand miles. Because Hawaii drivers do not typically exceed thirty-six thousand miles within three years of purchasing a new car, requiring drivers to obtain a certificate of inspection within two years of purchasing a new car imposes an undue burden on new car drivers and is not in the best interest of the State.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1416 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 12 (Majority) Transportation and International Affairs on S.B. No. 1328**

The purpose and intent of this measure is to increase the annual motor vehicle registration fee from \$25 to \$45 for deposit into the State Highway Fund.

Your Committee received testimony in support of this measure from the State Department of Transportation and the City and County of Honolulu. Testimony in opposition to this measure was received from the Hawaii Transportation Association, Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental in Hawaii. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee finds that this measure improves the ability of the Department of Transportation to construct, operate, and maintain the state highway system. The current motor vehicle registration fee of \$25 was established by Act 158, Session Laws of Hawaii 2004. According to testimony of the Department of Transportation, this measure is estimated to provide an additional \$34,000,000 annually for the State Highway Fund. Your Committee finds that without the additional funding, the Department cannot properly maintain the

state highway system which includes 2,479.36 lane miles. Although the State has increased the lane miles of the state highway system, the routine operation and maintenance budget has not concomitantly increased to properly maintain the additional lane miles.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1328 and recommends that 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 (Dela Cruz, Espero). Noes, 1 (Slom). Excused, none.

**SCRep. 13 (Majority) Transportation and International Affairs on S.B. No. 1327**

The purpose and intent of this measure is to allow the Department of Transportation to assess passenger facility charges as authorized under federal law for each overseas or international passenger who uses a state airport.

Your Committee received testimony in support of this measure from the State Department of Transportation and the Hawaii Laborers' Union. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee finds that this measure eliminates the necessity for the Department of Transportation to amend its administrative rules each time the Federal Aviation Administration changes the maximum allowable rate of passenger facility charges for Hawaii.

This measure requires the Department to establish the charges in accordance with applicable federal laws and regulations. No passenger facility would be assessed on flight segments between two or more airports within the State.

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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1327, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Dela Cruz). Noes, 1 (Slom). Excused, none.

**SCRep. 14 (Majority) Transportation and International Affairs on S.B. No. 819**

The purpose and intent of this measure is to:

- (1) Require the Department of Transportation to evaluate a vehicle miles traveled pilot program;
- (2) Require the Department to develop one or more pilot programs to test alternatives to motor vehicle fuel taxes; and
- (3) Authorize the Department of Transportation to refund motor vehicle fuel taxes under any pilot program under this measure.

Your Committee received testimony in support of the intent of this measure from the State Department of Transportation. Your Committee received comments from the Electric Auto Association of Honolulu and the Hawaii Automobile Dealers Association.

Your Committee finds that paying less and not having to pay any liquid fuel tax are often viewed as incentives for motorists to purchase or use more fuel efficient motor vehicles or motor vehicles that use alternative sustainable fuel sources. The liquid fuel tax, however, is the primary means of funding the infrastructure improvements that support motor vehicular travel, regardless of fuel type. As the use of fuel efficient and alternative energy vehicles becomes more prevalent, less gas will be consumed and liquid fuel tax collections will correspondingly diminish. The current method of assessing the motor vehicle liquid fuel tax on a per gallon basis will become less and less effective at generating a stable revenue source to fund the land transportation infrastructure program.

Your Committee further finds that as gas prices recently soared to historic highs, the demand for more fuel efficient vehicles also increased. This correlation shows that the price of gas has a far greater influence than avoidance of paying liquid fuel taxes on encouraging the use of fuel efficient vehicles and alternative energy.

According to testimony of the Department of Transportation, the Department is in the process of evaluating programs similar to the vehicle miles traveled pilot program that are being conducted in other states to determine the efficacy and suitability of such programs in Hawaii. Your Committee believes that the Department should continue with its present plans on its own initiative rather than being required to do so.

Your Committee has amended this measure by:

- (1) Authorizing the Department of Transportation to establish a vehicle miles traveled pilot program and to develop other pilot programs; 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 Transportation and International Affairs 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, 5. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 15 (Majority) Transportation and International Affairs on S.B. No. 1329**

The purpose and intent of this measure is to increase the state vehicle weight tax, which is deposited into the state highway fund, as follows:



- (1) From 0.75 cent a pound to 1.75 cents a pound for vehicles up to and including four thousand pounds net weight;
- (2) From 1.00 cent a pound to 2.00 cents a pound for vehicles over four thousand pounds and up to and including seven thousand pounds net weight;
- (3) From 1.25 cents a pound to 2.25 cents a pound for vehicles over seven thousand pounds and up to and including ten thousand pounds net weight; and
- (4) From a flat rate of \$150 to a flat rate of \$300 for vehicles over ten thousand pounds net weight;

and appropriate moneys from the state highway fund for the operations and maintenance of the state highways program.

Your Committee received testimony in support of this measure from the State Departments of Transportation and Taxation, and the City and County of Honolulu. Testimony in opposition to this measure was received from the Hawaii Transportation Association, Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental in Hawaii. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee finds that the Department of Transportation must provide a safe, efficient, and effective land transportation system for the movement of people and goods. However, the maintenance of state highways has not kept pace with the State's growing economy, land use development patterns, and increased demand for travel. Land transportation programs and projects will continue to deteriorate as demand for travel continues to increase. Concomitantly, the costs to manage, construct, and administer the transportation system continue to increase.

This measure improves the Department of Transportation's ability to construct, operate, and maintain the state highway system, including funding capital improvement projects and special maintenance programs. Failure to maintain the state highways could result in a loss of federal funding for highways, including state matching funds for highway federal-aid programs.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329 and recommends that 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 (Dela Cruz, Espero). Noes, 1 (Slom). Excused, none.

**SCRep. 16 (Majority) Transportation and International Affairs on S.B. No. 828**

The purpose and intent of this measure is to require the use of helmets when operating or riding as a passenger on bicycles, mopeds, and motorcycles.

Your Committee received testimony in support of this measure from the State Department of Transportation, State Department of Health, City and County of Honolulu Police Department, The Queen's Medical Center, the Injury Prevention Advisory Committee, Mother's Against Drunk Driving HAWAII, Brain Injury Association of Hawaii, and five individuals. Testimony in opposition to this measure was received from Street Bikers United and five individuals. Comments on this measure were received from one individual.

Your Committee finds that medical research convincingly demonstrates that helmets worn by individuals while operating or riding motorcycles, mopeds, bicycles, motor scooters, and all-terrain vehicles save lives and reduce the severity of head injury in crashes. According to the National Highway Traffic Safety Administration, operating a motorcycle or motor scooter without a helmet increases the likelihood of suffering a fatal head injury by forty percent.

Your Committee further finds that wearing a safety helmet is the single most effective way to prevent head injuries resulting from motorcycle and motor scooter crashes. Head injuries are a leading cause of death in those crashes.

Your Committee has amended this measure by:

- (1) Adding a requirement for helmet use by operators and passengers of all-terrain vehicles (Senate Bill No. 152) and motor scooters;
- (2) Dividing the measure into six parts and adding a purpose section to each part; 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 828, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Espero). Noes, 2 (Gabbard, Slom). Excused, 1 (Kouchi).

**SCRep. 17 Transportation and International Affairs on Gov. Msg. No. 516**

Recommending that the Senate advise and consent to the nominations of the following:

**DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION**

G.M. No. 516 GLENN M. OKIMOTO, for a term to expire December 1, 2014.

Your Committee received testimony in support of Glenn M. Okimoto from Governor Neil Abercrombie; Department of Transportation; Department of Budget and Finance; Commission on Transportation; Human Services Host; Hawaii Transportation Association; Watanabe Ing LLP; Hawaiian Airlines; Airlines Committee of Hawaii; Hawaii Laborers' Union; International Currency Services; Jas. W. Glover, Ltd.; DFS Hawaii; Hawaii Fueling Facilities Corporation; Ku'iwalu; PB Americas, Inc.; Lyon Associates,

Inc.; Coalition of Hawaii Engineering and Architectural Professionals; The Mestizo Association; Hawaii Harbors Users Group; American Marine Corporation; Greeters of Hawaii; the Pacific Resource Partnership; Ameron Hawaii; American Council of Engineering Companies of Hawaii; Young Brothers; Hawaii LECET; Radcliffe and Associates, LLC; Matson Navigation Company; Law Offices of James J. Stone; Shioi Construction, Inc.; The Gas Company; Bowers and Kubota Consulting; Grove Farm; Sause Bros.; Hawaii Bicycling League; and twelve individuals. Comments were received by one individual.

Mr. Okimoto has worked for the state of Hawaii for thirty years, of which twenty-seven have been with the Department of Transportation. Since his temporary appointment on December 15, 2010, Mr. Okimoto has shown tremendous leadership skills within the Department of Transportation. His management abilities and skill set are exactly what is needed in the Department to move the State forward. He also understands the challenges ahead. His background and experience make him uniquely qualified. His first job at the Department was as a staff economist performing financial analyses and forecasts for airports, harbors, and highways. Mr. Okimoto then transitioned to the Department's budget office where he reviewed and made recommendations on budget requests. Subsequently, Mr. Okimoto was appointed the Deputy Director for Administration where he oversaw the personnel, property management, information technology, budget, and the contracts office. That unique experience has given him a broad understanding of the financing and operational aspects of the entire Department.

Your Committee notes from the nominee's testimony that his primary goal is to move needed capital improvement projects, including airport, harbor, and highway projects that are necessary to renew and revitalize our transportation facilities to help Hawaii move into the future and to get our people working. These projects will create a world class airport system and a highly efficient harbor and highway system.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Gabbard).

**SCRep. 18 Hawaiian Affairs on Gov. Msg. No. 507**

Recommending that the Senate advise and consent to the nominations of the following:

CHAIRPERSON OF THE DEPARTMENT OF HAWAIIAN HOME LANDS

G.M. No. 507 ALBERT (ALAPAKI) NAHALE-A, for a term to expire December 31, 2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Alapaki Nahale-a to possess the requisite qualifications to be nominated as Chairperson of the Department of Hawaiian Home Lands.

Your Committee received testimony in support of the nomination of Alapaki Nahale-a from Governor Neil Abercrombie; the University of Hawaii - West O'ahu; Office of Hawaiian Affairs; Trustee Robert K. Lindsey, Jr., Office of Hawaiian Affairs; Mayor William P. Kenoi, County of Hawaii; City & County of Honolulu, Department of Community Services; Association of Hawaiian Civic Clubs; Council for Native Hawaiian Advancement; West Hawaii'i Explorations Academy Public Charter School; Pae 'Aina Communications; Robert K.U. Kihune, Chief Executive Officer, Sandwich Isles Communications, Inc.; Papa Ola Lokahi; Harry Saunders, President, Castle & Cooke Hawaii; Stubenberg & Durrett, LLLP; Belt Collins; Kewalo Hawaiian Homestead Community Association; Keaukaha Pana'ewa Farmers Association; Hawaii Association of Independent Schools; PBR Hawaii & Associates Inc.; Molokai Homestead Farmers Alliance; Hawaii Carpenters Union; Kapolei Community Development Corporation; Kanu O Ka 'Aina Learning 'Ohana; United Union of Roofers, Waterproofers and Allied Workers, Local 221; Kua O Ka La PCS; Waimea Hawaiian Homesteaders Association; Waimanalo Hawaiian Homes Association; Richard J. Dahl, President and Chief Executive Officer, James Campbell Company LLC; Kapolei Property Development LLC; Robert H. Armstrong, President, Armstrong Companies; Lanihau Properties, LLC; Hawaii Laborers' Union; Ka'ala Farm, Inc.; Ko'olaupoko Hawaiian Civic Club; Dee Jay Mailer, Chief Executive Officer, Kamehameha Schools; Malu'ohai Residents Association; Kalawahine Streamside Association; Ke Aloha O Ko Kakou Aina; Barry T. Taniguchi, President, KTA Super Stores; Robert W. Brant, President and Chief Executive Officer, Gentry Homes, Ltd.; Sovereign Councils of the Hawaiian Homelands Assembly; O'ahu Council of the Association of Hawaiian Civic Clubs; Stanford Carr, President, Stanford Carr Development, LLC; The Resort Group; The Pacific Resource Partnership; General Contractors Association of Hawaii; Delta Construction Corporation; Native Hawaiian Chamber of Commerce; 'Aha Kiolo Advisory Committee; Ahupua'a O Moloka'i; Lo'ihii Communications; International Union of Painters and Allied Trades, District Council 50; Kapolei High School; Kihei Charter School; Dowling Company, Inc.; La'i'opua 2020; Maku'u Farmers Association; Wai'anae Valley Homesteaders Association; Big Island Toyota, Inc.; Papakolea Community Development Corporation; Kula No Na Po'e Hawaii; Ka'iulani 4 General Contractors; D. Otani Produce, Inc.; Hunt Development Group; Kaup'e'a Homestead Association; 'Aha Punana Leo, Inc.; City Square Shopping Center; Kaumana Hawaiian Homestead Association; Erskine Architects, Inc.; Puko'a Kani 'Aina Community Development Corporation; Keaukaha Community Association; Plumbers and Fitters Union of Hawaii, UA Local 675; Hawaii Laborers-Employers Cooperation and Education Trust; Maku'u Farmers Association; Lahaina Hawaiian Civic Club; Princess Kaiulani Hawaiian Civic Club; Pearl Harbor Hawaiian Civic Club; Safeway Inc., and over fifty individuals.

Alapaki Nahale-a has served as a member of the Hawaiian Homes Commission, representing East Hawaii, since 2008. In addition, he is currently the Executive Director of the Hawaii Charter Schools Network and a former President of the organization's board. Mr. Nahale-a was the Director of Ka 'Umeke Ka'eo Hawaiian Immersion Public Charter School in Keaukaha, Hawaii, for six years, and served as a local school board member. Prior to his work on behalf of Hawaii's charter schools, he held a series of community development positions with Hawaii Community College, the Council for Native Hawaiian Advancement, and Rural Community Assistance Corporation. Mr. Nahale-a also has five years of experience with the County of Hawaii as a Legislative Auditor Assistant and Fiscal and Program Review Auditor. He is involved in numerous community organizations and has served as a board member of the Native Hawaiian Legal Corporation, Kuikahi Mediation Center, and Kako'o Ka 'Umeke. Mr. Nahale-a is graduate of

Kamehameha Schools, where he was active in student government and campus life, and holds a B.A. degree in Political Science from the University of Pennsylvania.

Your Committee finds that through his work as a Commissioner, Mr. Nahale-a is well versed in the directives, responsibilities, and operations of the Department of Hawaiian Home Lands, as well as the challenges the Department faces in meeting the needs of its beneficiaries and the Hawaiian community. His strong financial background and community development experience will be a valuable asset in building consensus for the Department's initiatives in the coming years.

Your Committee believes that the life experience Mr. Nahale-a brings to this appointment is equally compelling. His roots are firmly embedded in the Hawaiian homestead communities of Keaukaha and Pana'ewa and as one testifier noted, "Mr. Nahale-a has walked the walk of we beneficiaries, lived and labored on the lands, tasted the bitterness in being a native Hawaiian, and even in this youthful time of his, understands the plight of his people and what must be done to make a difference in all of our lives."

In his responses to your Committee, Mr. Nahale-a acknowledged the challenge of making a difference – in the Department's response to the waiting list; in the necessity for greater autonomy; in the resolution of jurisdictional problems such as permit and zoning requirements; and in the development of financial resources to replace the \$30,000,000 annual payments appropriated through Act 14, Special Session Laws of Hawaii 1995, which will end in 2015. He also stressed that the work would be collaborative and has already reached out to beneficiaries and the Hawaiian community for their mana'ō.

Your Committee commends Mr. Nahale-a for accepting the responsibilities and challenges of the Chairperson of the Department of Hawaiian Home Lands, and for his commitment to those he serves.

As affirmed by the record of votes of the members of your Committee on 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, 7. Noes, none. Excused, 1 (Hee).

**SCRep. 19 Energy and Environment on S.B. No. 367**

The purpose and intent of this measure is to effectuate its title by amending the Hawaii Revised Statutes.

Your Committee has amended this measure by deleting its contents and replacing them with provisions that:

- (1) Establish a regulatory scheme for the installation and implementation of an interisland high-voltage electric transmission cable system and for the construction of on-island transmission infrastructure;
- (2) Allow for a utility company to collect surcharges from its ratepayers to recover the costs of a cable installation on behalf of a cable company and exempt those surcharges from being counted as income for tax purposes;
- (3) Provide for the eventual acquisition of a high-voltage electric transmission cable system by a utility company from the cable company;
- (4) Allow a utility company to recover the costs of acquiring a high-voltage electric transmission cable system and developing on-island infrastructure through an automatic rate adjustment clause; and
- (5) Allow a utility to recover certain costs if a high-voltage electric transmission cable system is not completed.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

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. 367, as amended herein, and recommends that it be recommitted to the Committee on Energy and Environment, in the form attached hereto as S.B. No. 367, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Green).

**SCRep. 20 Economic Development and Technology on S.B. No. 318**

The purpose and intent of this measure is to amend the law relating to business development in Hawaii.

Your Committee has amended this measure by deleting its contents and replacing it with language to appropriate funds to the Department of Business, Economic Development, and Tourism to update the 2008 report "Innovation and Technology in Hawaii: An Economic & Workforce Profile", which demonstrated the increasingly important role that Hawaii's science and technology industries have played in the State's economic growth between 2002-2007, and provided projections and recommendations for future growth.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

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. 318, as amended herein, and recommends that it be recommitted to the Committee on Economic Development and Technology, in the form attached hereto as S.B. No. 318, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 21 Commerce and Consumer Protection on Gov. Msg. No. 505**

Recommending that the Senate advise and consent to the nominations of the following:

**DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

G.M. No. 505 KEALILALANIKULANI S. LOPEZ, for a term to expire December 1, 2014.

Your Committee received testimony in support of the nomination of Kealilalanikulani S. Lopez from the Governor of the State of Hawaii; a former Director of Commerce and Consumer Affairs; a former Deputy Director of Commerce and Consumer Affairs; the Acting Director of the Professional, Vocational, and Licensing Division of the Department of Commerce and Consumer Affairs; the Office of Hawaiian Affairs; 'Olelo Community Media; Hawaiian Electric Company, Inc.; Hawaiian Telcom; GEICO; Goodwill Industries of Hawaii, Inc.; YMCA of Honolulu; the Hawai'i Association of REALTORS; Honolulu Board of REALTORS; Island Insurance Company, Ltd.; Na Leo O Hawaii; a member of the Board of Directors of the Alliance for Community Media; DTRIC Insurance Company, Limited; SERVCO PACIFIC INC.; The Buske Group; Ward Research, Inc.; the Association of Hawaiian Civic Clubs; Ka Lei Maile Alii Hawaiian Civic Club; Citizens for Fair Valuation; the Board of Directors of Akaku: Maui Community Television; Maui Venture Consulting, LLC.; Hawaii's Better Business Bureau; Plywood Hawaii; the Hawaii Financial Services Association; The Wright Insurance Agency; Islanda Tech; Hawaii Medical Service Association; the principal of Waipahu High School; The Koani Foundation; six current and former members of the Board of Directors of 'Olelo Community Media; and twenty-three private citizens. Testimony in opposition to this nomination was received from one private citizen.

Your Committee notes that testimony in support of the nominee was received from a broad range of industries and enterprises subject to the jurisdiction of the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that the nominee's extensive experience in high-level managerial positions in a regulated industry, demonstrated leadership abilities, commitment to serving her community and her chosen profession, and personal integrity qualify her for appointment to the position of Director of Commerce and Consumer Affairs. Your Committee finds that under the leadership of the nominee, 'Olelo Community Television has become the second-largest public access television provider in the United States and has become widely regarded as a national leader among community broadcast providers for its use of innovative technology solutions to serve the public interest by making important information accessible to the entire community.

Your Committee finds that as President and Chief Executive Officer of 'Olelo Community Television, the nominee has gained experience in and understanding of many of the issues faced by the Department of Commerce and Consumer Affairs including information infrastructure; the interplay of federal, state, and local regulations; complex legal and regulatory issues; long-range strategic planning; and balancing the needs of a diverse body of constituents. Your Committee further finds that the nominee's experience successfully integrating new communications technologies into existing delivery structures is especially relevant to current matters facing the Department of Commerce and Consumer Affairs as the State works to foster economic growth in the fields of digital, broadband, and other emerging information technologies while also protecting the interests of consumers and ensuring broad public access to the benefits of innovation.

Your Committee further notes that testifiers in support of the nominee spoke of the nominee's unshakable ethics, impeccable personal integrity, and ability to build consensus among diverse stakeholders who sometimes hold competing interests. Your Committee finds that these personal qualities are essential to effective leadership and that the nominee's demonstrated temperament and professional skills will serve the State well.

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 (Slom).

**SCRep. 22 (Majority) Health on S.B. No. 260**

The purpose and intent of this measure is to repeal the requirement that an ambulance with paramedics be present at a mixed martial arts event, which would continue to allow adequate safety for the contestants without placing cumbersome restrictions on promoters of mixed martial arts events.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that promoters of mixed martial arts events often find it difficult to comply with the requirement to provide an ambulance and paramedics team during the event. This measure seeks to remedy this problem without jeopardizing the health and safety of event contestants.

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. 260 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; Ayes with Reservations (Wakai). Noes, 2 (Baker, Chun Oakland). Excused, none.

**SCRep. 23 Energy and Environment on S.B. No. 199**

The purpose and intent of this measure is to raise the system size limit for net energy metered systems to two megawatts, to eliminate the limit on the amount of electricity that comes from net metering on the Oahu grid, and to ensure that net metering contracts can be maintained with the introduction of an alternative mechanism for crediting or compensating customer-generators for exported power.

Your Committee received testimony in support of this measure from Mark Duda, Hawaii Solar Energy Association; Warren Bollmeier, Hawaii Renewable Energy Alliance; Jeff Mikulina, Blue Planet Foundation; Sierra Club Hawaii Chapter; and Brian Bell. Your Committee received testimony in opposition to this measure from Carlito P. Caliboso, Public Utilities Commission; and Scott Seu, Hawaiian Electric Company, Inc. Your Committee received comments on this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; and Jeffrey T. Ono, Department of Commerce and Consumer Affairs.

Your Committee finds that this measure would allow bigger buildings like schools and large businesses to benefit from net energy metering systems, ensure that people continue to have the option to participate in a net energy metering program, reduce energy costs to both homes and businesses, and reduce Hawaii's overall dependence on fossil fuels.

Your Committee finds that due to the January 13, 2011 Public Utilities Commission order that eliminated the net metering caps for Hawaiian Electric Company, Inc. and instead instituted a fifteen percent per circuit distribution threshold for distributed generation penetration, the sections of this measure that relate to eliminating the cap on the amount of electricity that comes from net energy metering are unnecessary.

Accordingly, your Committee has amended this measure by:

- (1) Deleting sections 3 and 5 of this measure, which would eliminate the cap on the amount of electricity that comes from net energy metering on the grid; 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 199, 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 (Ihara).

**SCRep. 24 Commerce and Consumer Protection on S.B. No. 1194**

The purpose and intent of this measure is to increase the level of offense for practicing veterinary medicine without a license in order to strengthen enforcement of the existing prohibition.

Your Committee received testimony in support of this measure from Boxer Club of Hawaii, Poi Dogs & Popoki, and one individual. Your Committee received comments on this measure from the Board of Veterinary Examiners.

Your Committee finds that the current classification of the offense of practicing veterinary medicine without a license as a misdemeanor that carries a maximum penalty of \$500 and six months imprisonment is insufficient to provide effective deterrence or to promote consistent enforcement. Unfortunately, your Committee further finds that some unlicensed persons in the State do perform veterinary procedures including ear and tail bobbing, spay or neutering, and even voice box removal under conditions and in a manner that is inhumane, unsanitary, and unethical. Your Committee also finds that increasing the classification of the offense of practicing veterinary medicine without a license to a class C felony will increase the maximum available penalty to over one year imprisonment, therefore increasing both the incentive to prosecute and the deterrent effect of the penalty. Finally, your Committee notes that the change in classification of the offense effectuated by this measure makes the classification of practicing veterinary medicine without a license consistent with the classification of animal cruelty in the first degree, which involves similar conduct.

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. 1194 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 25 Public Safety, Government Operations, and Military Affairs on S.B. No. 45**

The purpose and intent of this measure is to repeal the civil service exemptions for the first and second deputy sheriffs.

Your Committee received testimony in support of this measure from one state department and forty-nine individuals.

Your Committee finds that changing the current exempt civil service positions for first deputy sheriff and second deputy sheriff provides effective administrative and operational management of the Sheriff Division. According to testimony of the Department of Public Safety, there presently are an insufficient number of upper management positions above the operational segments of the Sheriff Division. To address the shortage, the Department of Public Safety has been working with the Department of Human Resources Development to expand the deputy sheriff class series to include captains and majors; however, the Department of Human Resources Development has required that the deputy sheriff positions first be converted to civil service before an expansion of the deputy sheriff class series is considered. Your Committee finds that this measure takes a necessary step toward improving the administration and operations of the Sheriff Division.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 45 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 26 Public Safety, Government Operations, and Military Affairs on S.B. No. 43**

The purpose and intent of this measure is to require that contracts made directly between the State and a nongovernmental entity or through interstate compacts that provide for the incarceration or detention of state prisoners or detainees in a privately owned prison or out-of-state detention facility require the state and contractor to provide access to the same information as required under the state Uniform Information Practices Act.

Your Committee received testimony in support of this measure from two state agencies, one employee union, six community groups, and eight individuals. Your Committee received testimony in opposition to this measure from one state department.

Your Committee finds that this measure is necessary because the State has contracted with a private entity to provide an essential public service that protects the public safety. In doing so, your Committee believes that the State should have access to the records of the contractor, which testimony indicates has been difficult to discuss in the past.

The intent of this measure is to bring into the realm of public information and scrutiny the records held by private entities housing Hawaii inmates pursuant to contracts with the State. However, those records are only as good as they are legitimate and authentic. This measure is not intended to apply to corporate information of the contractor that may place the contractor at a disadvantage with competitors.

Your Committee has amended this measure to require that the State's contract with the contractor contains a provision to provide access to the State to review all records of the contractor relating to daily prison operations and prison finances of the contractor as these records relate to Hawaii prisoners and detainees held by that prison or facility.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 43, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 43, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 27 Health on S.B. No. 82**

The purpose and intent of this measure is to amend the crime victims' bill of rights to include notice of an offender's unfitness to stand trial, transfer to the state hospital or other psychiatric facility, or regaining of fitness to stand trial to give victims increased notice of changes to their offender's status.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu. Your Committee received testimony in opposition to this measure from the Department of Health.

Your Committee finds that, in addition to the current notification requirements, it is also important for the State to provide notification to victims and their families when a decision is made regarding an offender's unfitness to stand trial, transfer to the state hospital or other psychiatric facility, or when an offender regains fitness to proceed.

Your Committee further finds that it is already difficult for a person to move on and regain a sense of security once the person has been victimized by a crime and it can be even more emotionally draining when that person has no idea about the status of the offender. By expanding the circumstances under which notification is required to be given, victims and their families will be provided with an increased sense of security, safety, and peace of mind. Based on testimony received, your Committee further finds that the language of S.B. No. 1019 is more clearly defined and better addresses the notification issue under this measure.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 1019. Specifically, your Committee has amended this measure by:

- (1) Eliminating the option for a victims, surviving immediate family members, or witnesses to waive, by written request, their basic bill of rights granted under section 801-D, Hawaii Revised Statutes;
- (2) Requiring the Department of the Prosecuting Attorney in the county where the crime was committed, instead of the crime victim or surviving immediate family, to initiate the request for notification of certain changes regarding an offender's custodial status on behalf of the crime victim or surviving immediate family;
- (3) Allowing certain confidential records regarding the offender to be given to any crime victim or surviving immediate family upon request through the Department of the Prosecuting Attorney in the county where the crime was committed; and
- (4) Requiring the Department of Health to notify the Department of the Prosecuting Attorney in the county where the crime was committed of any changes in the custodial status of the offender, instead of requiring such notification to be given by the Department of Health directly to the crime victim or surviving immediate family.

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. 82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 82, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Nishihara).

**SCRep. 28 Agriculture on S.B. No. 281**

The purpose and intent of this measure is to authorize the use or rental of the Department of Agriculture, Division of Animal Industry's property or facilities for commercial purposes. This measure also establishes the Animal Industry Special Fund and makes an appropriation.

Your Committee received testimony in opposition to this measure from the Department of Budget and Finance and one individual. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that authorizing the commercial use of all Division of Animal Industry's property and facilities, rather than limiting the authority to animal quarantine properties and facilities, provides greater resources to assist the Division in moving towards self-sufficiency.

Your Committee has amended this measure by:

- (1) Removing section 3 of the measure in order to continue to allow monies received for the use of animal quarantine property or facilities pursuant to section 142-3.5, Hawaii Revised Statutes, to be deposited into the Animal Quarantine Special Fund; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 281, 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, 2 (Kouchi, Slom).

**SCRep. 29 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.B. No. 606**

The purpose and intent of this measure is to establish a pilot project to provide for the transfer of all state highway functions located on a county from the State to an unspecified county.

Your Committees received testimony in support of the concept of this measure from the State Departments of Transportation and Human Resources Development. Testimony in opposition to this measure was received from the Office of the Mayor and Department of Design and Construction, City and County of Honolulu; and the Office of the Mayor, County of Kaua'i. Comments were received from two County of Maui council members.

Your Committees find that the State's current fiscal crisis necessitates an abolition of duplicative state and county functions. The Department of Transportation and the counties share overlapping functions for construction and maintenance of highways. Your Committees further find 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.

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 Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 606, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 606, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Dela Cruz, Gabbard, Kahele).

**SCRep. 30 Transportation and International Affairs on S.B. No. 1320**

The purpose and intent of this measure is to clarify the commercial driver licensing law with respect to alcohol concentration level of an individual driving a commercial vehicle.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and Hawaii Transportation Association.

This measure amends the definition of "driving a commercial motor vehicle while under the influence of an intoxicant" to include driving a commercial motor vehicle while the person's alcohol concentration is 0.4 or more grams of alcohol per two hundred ten liters of breath or with 0.04 or more grams of alcohol per one hundred milliliters or cubic centimeters of blood, and makes conforming amendments to appropriate statutory provisions.

Your Committee finds that this measure conforms the wording of Hawaii's law to that of the federal regulations relating to commercial driver licensing, and to the statute relating to driving while under the influence of an intoxicant except for the alcohol percent content threshold, which remains at 0.04 grams.

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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1320, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Gabbard).

**SCRep. 31      Agriculture on S.B. No. 140**

The purpose and intent of this measure is to appropriate funds as a grant, pursuant to chapter 42F, Hawaii Revised Statutes, to support the Hawaii Livestock Cooperative's continued operations and assist the Cooperative with the development of a sustainable business plan.

Your Committee received testimony in support of this measure from the Department of Agriculture; Wong's Meat Market, Ltd.; and the Hawaii Farm Bureau Federation. Your Committee received testimony in opposition to this measure from Animal Rights Hawai'i, the Democratic Party of Hawaii's Environmental Caucus, and five individuals.

Your Committee finds that supporting the establishment of meat processing facilities in Hawaii by facilitating sustainable business plans and emerging food safety procedures for Hawaii's residents and visitors is vital for the successful development and growth of Hawaii's meat processing facilities.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 140 and recommends that 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, 3 (Chun Oakland, Dela Cruz, Shimabukuro).

**SCRep. 32      Health on S.B. No. 156**

The purpose and intent of this measure is to make an appropriation for breast and cervical cancer screening to the Department of Health to reach more women who are eligible to be screened under the Breast and Cervical Cancer Control Program.

Your Committee received testimony in support of this measure from the Department of Health, American Cancer Society Hawaii Pacific, Inc., Planned Parenthood of Hawaii, and Healthy Mothers Healthy Babies Coalition of Hawaii.

Your Committee finds that, excluding skin cancer, breast cancer is the most common cancer among American women and is second only to lung cancer as a cause of cancer-related death. Many of these deaths, which will occur disproportionately among women of racial and ethnic minority and low-income groups, could be avoided by making cancer screening services available to all women at risk through added appropriations, such as the one included in 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. 156 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Nishihara).

**SCRep. 33      Health on S.B. No. 166**

The purpose and intent of this measure is to establish a task force within the Department of Health to regulate clean and sober homes and halfway houses to ensure that Hawaii's residents have access to these facilities and that they are operated in a way that works for the surrounding communities.

Your Committee received testimony in support of this measure from the Hawaii Substance Abuse Coalition, Ku Aloha Ola Mau, Makana O Ke Akua Inc., Oxford House Inc. – Hawaii, and one private citizen. Your Committee received testimony in opposition to this measure from the Department of Health.

Your Committee finds that clean and sober homes and halfway houses are an integral step in the treatment of individuals who have been recently released from incarceration and are dealing with substance abuse issues. Your Committee further finds that more regulation of clean and sober homes is necessary to best serve both clean and sober homes' clients and the residents residing in the near vicinity of these facilities.

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. 166 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 34      Health on S.B. No. 598**

The purpose and intent of this measure is to appropriate funds for the development of neonatal resuscitation training programs to provide important lifesaving measures for newborn children.

Your Committee received testimony in support of this measure from the Department of Health, March of Dimes Foundation Hawaii Chapter, The Hawaii Collaborative Health Initiative, and Maui Memorial Medical Center. Your Committee received comments on this measure from Kona Community Hospital.

Your Committee finds that the State's neonatal resuscitation resources are inadequate and that the training and development of neonatal resuscitation teams at neighbor island hospitals will benefit the lives of many newborn children. This measure will provide funding for adequate training programs to prepare pediatric nursing and respiratory therapist staff for emergency situations requiring neonatal resuscitation.



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. 598 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 35 Health on S.B. No. 222**

The purpose and intent of this measure is to appropriate funds for the continued operation of the PATH Clinic in order to provide continued prenatal, delivery, and postpartum care and social services to women who have a history of substance use.

Your Committee received testimony in support of this measure from the Department of Health, The American Congress of Obstetricians and Gynecologists, PATH Clinic, Community Alliance on Prisons, March of Dimes Foundation Hawaii Chapter, The Drug Policy Action Group, the Drug Policy Forum of Hawai'i, Women's Caucus Democratic Party of Hawai'i, Healthy Mothers Healthy Babies Coalition of Hawai'i, Planned Parenthood of Hawaii, and fourteen private citizens.

Your Committee finds that, although funding sources are available for medical services, essential social services that are provided by the PATH Clinic remain unfunded. Appropriating funds for this Clinic will allow the Clinic to provide much needed social services to women with a history of substance abuse. Your Committee received testimony from the PATH Clinic indicating that the measure incorrectly lists the Clinic's name as Perinatal Addiction Treatment of Hawaii and clarified that the proper clinic name is the PATH Clinic.

Your Committee has amended this measure by:

- (1) Substituting the name "Perinatal Addiction Treatment of Hawaii" with "PATH Clinic" throughout the measure to accurately reflect the Clinic's name;
- (2) Clarifying that the appropriation is a grant pursuant to chapter 42F, Hawaii Revised Statutes; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 222, 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. 36 Health on S.B. No. 731**

The purpose of this measure is to:

- (1) Add crisis substance abuse and alcohol treatment as a covered benefit;
- (2) Change the term "serious mental illness" to "severe mental illness" and amend the definition of that term to include major depressive disorders, anxiety disorders, and borderline personality disorders;
- (3) Require the Department of Health to include trained and certified professionals in its crisis hotline program for emergency intervention services;
- (4) Prohibit the Department of Health from limiting the number of hours of treatment per patient and requires case managers to be assigned based on the Diagnostic and Statistical Manual of Mental Health Disorders, DSM IV, of the American Psychiatric Association;
- (5) Establish an assertive community treatment program under the Department of Health; and
- (6) Appropriate funds to the Department of Health to establish a community care crisis center.

The intent of this measure is to make beneficial changes to the mental health delivery system throughout the State.

Your Committee received testimony in support of this measure from The Queen's Medical Center, Mental Health America of Hawai'i, Safe Haven/Mental Health Kokua, Mental Health Hawaii, Helping Hands Hawai'i, Hawaii Disability Rights Center, National Alliance on Mental Illness Hawaii, National Association of Social Workers, and seven private citizens. Your Committee received testimony in opposition to this measure from the Department of Health. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Human Services A Blue Cross Blue Shield of Hawaii; Hale Na'au Pono, Waianae Coast Community Mental Health Center, Inc.; Hawaii Association of Health Plans; and two private citizens.

Your Committee finds that the expansion of covered benefits to include substance abuse and alcohol treatment is important to better protect the residents of the State from the problems associated with these diseases. Your Committee further finds that including major depressive disorders, anxiety disorders, and borderline personality disorders within the definition of "severe mental illness" will allow many more individuals to seek critical treatment services. According to testimony received from the Department of Health, the measure could be improved by allowing the Department of Health to assess its service needs and to further study the provision of mental health services for people with severe mental illness throughout the State to better access the way the Department of Health structures its resources.

Additional testimony indicated that the current practice of limiting case management services to three and a half hours per month for each consumer provides inadequate care and support for that consumer. Reduced case management hours often result in an increase in hospital admissions, homelessness, crisis situations, and crime and substance abuse recidivism. Your Committee finds that requiring

the Department of Health to provide no less than seven hours of case management services per consumer per month significantly increases the provision of case management services and will help combat the negative impacts associated with insufficient case management service hours.

Your Committee has amended this measure by:

- (1) Adding language requiring the Department of Health to provide no less than seven hours of case management services per month to each patient;
- (2) Requiring the Department of Health to convene a mental health working group to determine how the State can improve and reformat the provision of its mental health services and to report its findings to the legislature no later than twenty days prior to the convening of the regular session of 2012;
- (3) Inserting an effective date of July 1, 2050, for the appropriation for the establishment of a community care crisis center, to allow for further discussion of this section; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 731, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 37      Agriculture on S.B. No. 247**

The purpose and intent of this measure is to establish a natural farming grant program through the Department of Agriculture to award grants to agricultural producers who utilize the Cho Global Natural Farming Methodology.

Your Committee received testimony in support of this measure from Paradise Meadows Orchard and Bee Farm; Alluvion, Inc.; the Partners in Development Foundation; Mountain View Dairy; Ho'ea Agricultural Park; the Dragon's Eye Learning Center; Alikamaui, LLC and seven individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that the Cho Global Natural Farming Method is a distinctive approach to natural farming that is safe for the environment and can improve product yield and quality while reducing production costs and water consumption.

Your Committee has amended this measure by:

- (1) Providing a definition of "Cho Global Natural Farming Methodology"; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Slom).

**SCRep. 38      Agriculture on S.B. No. 249**

The purpose and intent of this measure is to make an appropriation to the Department of Agriculture to:

- (1) Acquire a slaughterhouse within the Campbell Industrial Park on the island of Oahu;
- (2) Fund necessary construction, renovation, and improvement projects at the slaughterhouse; and
- (3) Purchase equipment for the slaughterhouse.

Your Committee received testimony in support of this measure from the Hawaii Livestock Cooperative; the Hawaii Cattlemen's Council, Inc.; Wong's Meat Market, Ltd.; Alluvion, Inc.; and the Hawaii Farm Bureau Federation. Your Committee received testimony in opposition to this measure from Animal Advocate Inc. and 8 individuals. The Department of Agriculture provided comments.

Your Committee finds that the majority of locally-raised cattle are shipped to the mainland for finishing and slaughter. The purchase and improvement of a slaughterhouse by the Department of Agriculture will promote an increase in local ranching and cattle production.

Your Committee has amended this measure by removing the specific dollar amount of the appropriation to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 249, 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, 2 (Kouchi, Slom).

**SCRep. 39      Agriculture on S.B. No. 1337**

The purpose and intent of this measure is to provide a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Hawaii Livestock Cooperative to stabilize operations at the Cooperative's slaughter facility. This measure also requires the Hawaii Livestock Cooperative to prepare a sustainable business plan that includes:

- (1) Planned use of the funds received;
- (2) Pro forma financial statements; and
- (3) Commitments from various meat industry stakeholders.

Your Committee received testimony in support of this measure from Wong's Meat Market, Ltd. and the Hawaii Farm Bureau Federation. Your Committee received testimony in opposition to this measure from Animal Rights Hawai'i and four individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that continued operation of the Hawaii Livestock Cooperative will contribute to the State's food security and will protect the public's health, safety, and welfare. The requirement that the Hawaii Livestock Cooperative prepare a sustainable business plan will provide transparency while helping move Hawaii to greater food self sufficiency.

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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1337, 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, 3 (Chun Oakland, Dela Cruz, Shimabukuro).

**SCRep. 40      Commerce and Consumer Protection on S.B. No. 26**

The purpose and intent of this measure is to eliminate the requirement to pay multiple licensing fees that are imposed upon advanced practice registered nurses.

Your Committee received testimony in support of this measure from the Hawaii State Center for Nursing, the University of Hawaii System, Hawaii Government Employees Association, the University of Phoenix Hawaii Chapter, and three private individuals. Your Committee received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and the Board of Nursing.

Your Committee finds that advanced practice registered nurses are important health care providers who perform a critical role in making health care accessible to individuals in the State. Your Committee finds that advanced practice registered nurses are currently treated differently than every other regulated profession in that they are required to pay duplicative fees for licensure, including a fee for maintaining prescriptive authority which is not required of any other health care provider. Finally, your Committee finds that these fees represent an unfair burden on advanced practice registered nurses and an unnecessary barrier to the development of the profession.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 26, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 26, 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 (Slom).

**SCRep. 41      (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on S.B. No. 825**

The purpose and intent of this measure is to make amendments to the State's ignition interlock law recommended by the Hawaii ignition interlock implementation task force pursuant to Act 171, Session Laws of Hawaii 2008, as amended. This measure, among other things:

- (1) Allows any repeat intoxicated driver arrested for a violation after December 31, 2010, to request the return of any motor vehicle registration and number plates surrendered to the Administrative Director of the Courts as a result of the arrest;
- (2) Eliminates the authority to the motor vehicle registration of a repeat intoxicated driver under the administrative revocation law;
- (3) Eliminates the requirement that the arresting officer take possession of the motor vehicle registration and remove the license plate, and issue a temporary motor vehicle registration and temporary number plate for the motor vehicle;
- (4) Requires the installation of an ignition interlock device in any motor vehicle the repeat intoxicated driver operates; and
- (5) Repeals provisions in current law relating to special series number plates and special motor vehicle registration for a qualified household member who is the co-owner of a vehicle with the respondent; penalty for failure to surrender number plates; and transferring title of ownership of a motor vehicle that has had its registration revoked and number plates surrendered.

Your Committees received testimony in support of this measure from the Judiciary, State Attorney General, Department of Transportation, Department of Health, City and County of Honolulu Department of Customer Services, City and County of Honolulu Police Department, City and County of Honolulu Prosecuting Attorney, and Mothers Against Drunk Driving HAWAII.

Act 171, Session Laws of Hawaii 2008, established an Ignition Interlock Program. The purpose of the program is to require drivers whose licenses have been administratively revoked for, or who have been convicted of, operating a vehicle while under the influence of an intoxicant to install an ignition interlock device on their vehicles. The device will prevent these drivers from starting or operating their vehicles when the driver has more than a minimal concentration of alcohol.

Act 171 also established the Hawaii Ignition Interlock Implementation Task Force to study the issues surrounding implementation of the program and to make recommendations to address them. The Hawaii Ignition Interlock Implementation Task Force met numerous times in committees and as a whole, had comprehensive discussions on a multitude of issues relating to the implementation of the Ignition Interlock Program, and made recommendations for statutory amendments necessary to implement the program.

This measure is recommended for passage by the Hawaii Ignition Interlock Implementation Task Force which continues its study into statutory refinements of Act 171.

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 Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 825, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 825, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Dela Cruz, Gabbard, Kahele).

**SCRep. 42 (Majority) Health on S.B. No. 41**

The purpose and intent of this measure is to immediately eliminate language allowing for the automatic repeal of Hawaii's Prepaid Health Care Act from the text of that Act and to eliminate potentially conflicting language regarding the effective date of the Prepaid Health Care Act's automatic repeal in order to safeguard the Prepaid Health Care Act more completely.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; University of Hawai'i at Manoa, The William S. Richardson School of Law; Natural Cancer Wellness Foundation; Hawaii Medical Service Association; and AARP Hawaii. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii Medical Association, Healthcare Association of Hawaii, and two private citizens.

Your Committee finds that the Prepaid Health Care Act provides benefits to the people of Hawaii that are superior to those provided by federal legislation on its own. This measure ensures that those benefits are not superseded in the future by potentially lesser benefits provided under federal legislation.

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. 41 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (Nishihara).

**SCRep. 43 Health on S.B. No. 101**

The purpose and intent of this measure is to exempt the preparation of poi using traditional Hawaiian cultural food preparation practices from Department of Health regulations regarding food safety and to require the Director of Health to adopt rules necessary to carry out this exemption.

Your Committee received testimony in support of this measure from Hawaii SEED and twelve private citizens. Your Committee received testimony in opposition to this measure from the Department of Health. Your Committee received comments on this measure from the Office of Hawaiian Affairs and one private citizen.

Your Committee finds that this exemption is necessary to protect Hawaiian cultural practices. Your Committee finds that an amendment to this measure is necessary to impose labeling requirements indicating that poi is processed outside a certified food processing establishment so that consumers can make an informed decision regarding poi purchases. Your Committee also finds that in the interest of safety, additional food safety requirements should be imposed on producers preparing poi outside of certified food processing establishments.

Accordingly, your Committee has amended this measure by:

- (1) Adding language requiring all commercially sold hand-pounded poi that is processed outside of a certified food processing establishment be labeled accordingly and identify the producer's name and address and the date of preparation;
- (2) Imposing certain food safety standards for the poi producers;
- (3) Inserting an effective date of January 1, 2050, to facilitate further discussion of the measure; and
- (4) Making technical nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 101, 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 (Nishihara).

**SCRep. 44 Transportation and International Affairs on S.B. No. 1325**

The purpose and intent of this measure is to define the term “after market motorcycle frame” and to allow a county director of finance to assign a vehicle identification number to a motorcycle with an after market frame. This measure disallows the registration of uncertified motor vehicles and devices, except for special interest vehicles, reconstructed vehicles, and motorcycles built on an after market motorcycle frame.

Your Committee received testimony in support of this measure from the State Department of Transportation and the Department of Customer Services of the City and County of Honolulu.

Your Committee finds that the intent of this measure is to disallow the motor vehicle registration of uncertified motor vehicles and devices, which is critical to protect the public safety. The broad definition of “motorcycle” under section 286-2, Hawaii Revised Statutes, allows motorcycles that were manufactured for off-road use only to be registered for use on public roads. This measure restricts motor vehicle registration to only those vehicles that are in compliance with all applicable Federal Motor Vehicle Safety Standards. In effect, off-road dirt motorcycles and pocket motorcycles cannot be registered and therefore cannot be driven on public roads.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1325 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, 7. Noes, none. Excused, none.

**SCRep. 45 (Joint/Majority) Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs on S.B. No. 164**

The purpose and intent of this measure is to:

- (1) Grant rule-making authority to any county semi-autonomous public transit entity having a governing board for the planning, construction, operation, maintenance, and expansion of the public transit systems of that county, and to exempt those rules from approval by the mayor of that county as in the case of county boards of water supply; and
- (2) Clarify the existing definition of agency under the Administrative Procedures Act to include a state or county semi-autonomous public entity, and to list the remaining definitions in alphabetical order.

Your Committees received testimony in support of this measure from one county department and one labor organization.

On November 2, 2010, the voters of the City and County of Honolulu approved an amendment to the Revised Charter of the City and County of Honolulu to establish a semi-autonomous public transit authority which is responsible for the planning, construction, operation, maintenance, and expansion of Honolulu’s fixed guideway mass transit system. That transit authority, officially known as the Honolulu Authority for Rapid Transit, will provide timely and efficient management of the rail transit system.

Your Committees find that the Honolulu Authority for Rapid Transit needs specific rule-making authority to function as a semi-autonomous agency of the county. It is not the intent of this measure to nullify any existing rule-making functions of any other state or county semi-autonomous agencies, boards, or commissions.

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 Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 164, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 164, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 1 (Sлом). Excused, 3 (Dela Cruz, Gabbard, Kahele).

**SCRep. 46 Health on S.B. No. 121**

The purpose and intent of this measure is to authorize the Hawaii Health Systems Corporation to lease Kula Hospital’s medical clinic, and any equipment, furnishings, and fixtures therein, to the Community Clinic of Maui, Inc., doing business as Malama I Ke Ola Health Center in order to continue to provide critical health services to homeless, poor, and underserved individuals on the island of Maui.

Your Committee received testimony in support of this measure from Maui Memorial Medical Center and Malama I Ke Ola Health Center.

Your Committee finds that it would be beneficial to the residents of Maui to allow Malama I Ke Ola Health Center to operate a federally qualified health center on the Kula Hospital medical clinic premises in order to meet the increasing community demand for comprehensive health services. According to testimony submitted by Maui Memorial Medical Center, Kula Hospital, and other hospitals in the region need equipment and furnishings for their own operations, so these hospitals may not want to lease all

furnishings. Rather, it would be beneficial to Kula Hospital to agree upon a list of equipment and furnishings that will be included in the lease between Hawaii Health Systems Corporation and Malama I Ke Ola Health Center.

Your Committee has amended this measure by:

- (1) Adding language requiring the Hawaii Health Systems Corporation and Malama I Ke Ola Health Center to execute an equipment list detailing all of the equipment, furnishings, and fixtures to be leased, as agreed upon between Malama I Ke Ola Health Center and Kula Hospital; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 121, 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 (Nishihara).

**SCRep. 47 (Joint/Majority) Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs on S.B. No. 823**

The purpose and intent of this measure is to:

- (1) Designate as the chief procurement officer the director of a county semi-autonomous public transit agency as designated by that county charter; and
- (2) Provide procurement authority to the semi-autonomous county public transit agency.

Your Committees received testimony in support of this measure from one county department and one labor organization.

On November 2, 2010, the voters of the City and County of Honolulu approved an amendment to the Revised Charter of the City and County of Honolulu to establish a semi-autonomous public transit authority which is responsible for the planning, construction, operation, maintenance, and expansion of Honolulu's fixed guideway mass transit system. That transit authority, officially known as the Honolulu Authority for Rapid Transit, will provide timely and efficient management of the rail transit system. This measure gives the same procurement authority to the county semi-autonomous public transit agency as a county board or department of water supply.

Your Committees find that the Honolulu Authority for Rapid Transit needs specific procurement authority to function as a semi-autonomous agency of the county. It is not the intent of this measure to nullify any existing procurement authority of any other state or county semi-autonomous agencies, boards, or commissions.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 823 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, 1 (Slom). Excused, 3 (Dela Cruz, Gabbard, Kahele).

**SCRep. 48 Education on S.B. No. 601**

The purpose and intent of this measure is to establish and appropriate funds for an electronic book pilot program for students in one public intermediate or middle school to be selected by the Department of Education.

Your Committee received testimony in opposition to this measure from the Department of Education.

Your Committee finds that there are schools within the Department of Education that currently use notebook computers and electronic tools for learning. For example, Kalani High School already uses online content and may provide a model for moving toward greater use of electronic materials in the public schools. Your Committee finds that expanding the types of technology available for the pilot program would provide the Department with the flexibility to also select tools other than electronic books that would enhance learning for participants of the pilot program. Your Committee encourages the Department of Education to seek alternative additional sources of funding for the pilot program.

Your Committee has amended this measure by changing all references to "electronic books" to "electronic-based curriculum". This amendment will broaden the scope of electronic materials and formats that can be used as part of the pilot program.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 601, 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 (Taniguchi).

**SCRep. 49 Education on S.B. No. 1115**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds for Saint Louis School.

Your Committee received testimony in support of this measure from the Hawaii Association of Independent Schools, Chaminade University of Honolulu, the President of Saint Louis School, the Chairmen-elect of the Board of Trustees of Saint Louis School, and one individual. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the issuance of special purpose revenue bonds for Saint Louis School is in the public interest.

Your Committee has amended this measure by changing the authorized amount of special purpose revenue bonds from \$30,000,000 to \$40,000,000.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1115, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 50 Education on S.B. No. 238**

The purpose and intent of this measure is to allow the University of Hawaii to retain up to five percent of its appropriated general funds and carry it over to the subsequent fiscal year.

Your Committee received testimony in support of this measure from the University of Hawai'i System.

Your Committee finds that allowing the University of Hawaii to retain and carry over up to five percent of its appropriated general funds will result in greater efficiency in the expenditure of these funds and avoid a lapse of funds.

Your Committee has amended this measure by:

- (1) Clarifying that the carried over funds are to be available to the University of Hawaii in addition to subsequent fiscal year appropriations;
- (2) Clarifying that the retention of funds shall not be used as the sole basis for reducing the University of Hawaii's future budget requirements; and
- (3) Requiring the University of Hawaii to submit an annual report to the Legislature on the status and amount of funds carried over to the subsequent fiscal year.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 238, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6; Ayes with Reservations (Taniguchi). Noes, none. Excused, none.

**SCRep. 51 Education on S.B. No. 809**

The purpose and intent of this measure is to increase the University of Hawaii's authorization to issue revenue bonds from a total principal amount not to exceed \$200,000,000 to a total amount not to exceed \$300,000,000.

Your Committee received testimony in support of this measure from the University of Hawai'i System and The Pacific Resource Partnership.

Your Committee finds that increasing the University of Hawaii's authorization to issue revenue bonds by \$100,000,000 will allow the University of Hawaii to complete as many of its priority capital facility construction, renovation, and repair projects as possible.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809 and recommends that 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, none.

**SCRep. 52 Education on S.B. No. 242**

The purpose and intent of this measure is to:

- (1) Repeal certain reporting requirements for the University of Hawaii; and
- (2) Require the Hawaii Western Interstate Commission for Higher Education report to the Legislature biennially.

Your Committee received testimony in support of this measure from the University of Hawai'i System.

Your Committee finds that this measure repeals and amends certain University of Hawaii reporting requirements that are outdated, duplicative, or no longer needed.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 242 and recommends that 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. 53      Transportation and International Affairs on S.B. No. 35**

The purpose and intent of this measure is to:

- (1) Clarify that the same procedures, protections, rights, and remedies provided to auto dealers under Act 164, Session Laws of Hawaii 2010, also apply to distributors that are not manufacturers; and
- (2) Delete a definition of “good faith” that is no longer necessary, as it is not used in the paragraph in which it was intended to apply.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Motor Vehicle Industry Licensing Board, the Hawaii Automobile Dealers Association, and the Alliance of Automobile Manufacturers.

According to testimony of the Department of Commerce and Consumer Affairs, this measure reconciles existing language with part II of chapter 437, Hawaii Revised Statutes, relating to the Motor Vehicle Industry Licensing Act, which was added by Act 164, Session Laws of Hawaii 2010. This measure applies those provisions to distributors, as originally intended by Act 164. Act 164 established certain rights and duties among motor vehicle dealers, distributors, and manufacturers and originally intended to apply certain provisions to distributors as well, but those provisions were mistakenly omitted from the final Act.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 35 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, 7. Noes, none. Excused, none.

**SCRep. 54      Commerce and Consumer Protection on S.B. No. 656**

The purpose and intent of this measure is to increase transparency in the renewable energy market by requiring the Public Utilities Commission to publish contracts for the purchase of renewable energy, including the price per kilowatt hour, on its website.

Your Committee received testimony in support of this measure from the Ocean Tourism Coalition; Indigenous Consultants, LLC; Life of the Land; Tawhiri Power LLC; and two private individuals. Your Committee received testimony in support of the intent of this measure from the Department of Business, Economic Development, and Tourism and the Public Utilities Commission. Your Committee received comments on this measure from Hawaiian Electric Company, Inc.

Your Committee finds that the Public Utilities Commission’s former policy of determining pricing of renewable energy based on avoided costs in comparison with petroleum-based energy has led to higher-than-necessary renewable energy prices as the cost of petroleum has risen over the years. Your Committee further finds that linking the price of renewable energy to the cost of petroleum has created a situation that has eroded the public trust in the electric utilities and the bodies that regulate them since the justification for often-high energy prices is obscure. Therefore, your Committee finds that greater transparency in pricing for renewable energy serves the interests of consumers, electric utilities, and the State by clarifying both the process and the outcome of setting renewable energy rates.

Your Committee is sympathetic to the needs of renewable energy producers, especially small or independent producers without significant leverage in the market, to keep some information private during the pendency of contract negotiations. Your Committee believes that allowing the redactions of certain proprietary information only until the final disposition of a contract for renewable energy purchase by the Public Utilities Commission achieves a balance between the legitimate interests of the rate-paying public and renewable energy producers.

Your Committee has amended this measure by:

- (1) Clarifying that contracts shall be published in redacted form upon filing with the Public Utilities Commission and in complete, unredacted form upon a final approval of or decision on the contract by the Public Utilities Commission; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 656, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 55      Education on S.B. No. 1386**

The purpose and intent of this measure is to allow the Board of Regents of the University of Hawaii to elect up to two Vice Chairpersons. This measure also requires the Board of Regents to elect any Chairperson or Vice Chairpersons at a meeting held before July 1.

Your Committee received testimony in support of this measure from the Board of Regents of the University of Hawaii.

Your Committee finds that this measure provides the Board of Regents of the University of Hawaii with more flexibility and the incoming Chairperson and Vice Chairpersons more time to prepare for the upcoming academic school year.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1386, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 56 Education on S.B. No. 1281**

The purpose and intent of this measure is to require the Committee on Weights to meet no less than once every odd-numbered year, rather than every year, to adopt a weighted student formula for the allocation of monies to public schools.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that six years after the creation of the Committee on Weights and the implementation of the weighted student formula, the need for the Committee on Weights to meet every year no longer exists. Allowing the Committee on Weights to adopt a new weighted student formula less frequently, thereby maintains a more constant level of funding over two years, is an improved practice that will create stability for principals and community councils in developing academic and financial plans.

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 that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1281, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 57 Public Safety, Government Operations, and Military Affairs on S.B. No. 254**

The purpose and intent of this measure is to establish a temporary Veterans Court at the state circuit court level.

Your Committee received testimony in support of this measure from one state branch of government, one state agency, and two community organizations.

Your Committee finds that after September 11, 2001, members of the United States Armed Forces and Reserves and the Hawaii National Guard were engaged in combat in Afghanistan and Iraq at an unprecedented pace. Recent research confirms that a significant number of soldiers--by some estimates, one in five--return home from war with a combat-related mental health condition, such as post-traumatic stress disorder, traumatic brain injury, sexual trauma, substance abuse, or other mental and emotional health conditions. In addition, judges in Hawaii have reported an increase in cases that involve veterans.

The first Veterans Court was established in 2008 in Buffalo, New York. Similar models have subsequently emerged across the country. The goal of these courts is to enhance the effectiveness of the criminal justice system through early intervention and specialized services to guide the veteran through rehabilitation and counseling. Testimony of the Judiciary indicated that the Judiciary convened a Veterans Court Review Committee in May 2010 to review the issues involved in implementing a Veterans Court.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2012, to allow the Veterans Court Review Committee and the Judiciary time to complete its review and continue collaborations with stakeholders and to allow for further amendments of this measure during the 2012 Regular Session;
- (2) Extending the repeal date of this Act by one year, from June 30, 2020, to June 30, 2021; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 254, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ryan, Slom).

**SCRep. 58 (Joint) Transportation and International Affairs and Commerce and Consumer Protection on S.B. No. 30**

The purpose and intent of this measure is to increase from ten to twenty business days the time after mailing of a notice to the owner of an abandoned vehicle during which the owner may repossess the vehicle before the vehicle may be subject to disposal.

Your Committees received testimony in support of this measure from the Hawaii Credit Union League and EAN Holdings, LLC operating collectively as "Enterprise". Testimony in opposition to this measure was received from the Department of Customer Services of the City and County of Honolulu.

Your Committees find that extending the time in which the owner of an abandoned vehicle may repossess that vehicle from custody is warranted, particularly with respect to rental car companies with large fleets of vehicles whose lessees may abandon the vehicles. This measure would help ensure that these companies have sufficient time to recover rental vehicles that may have been abandoned.

As affirmed by the records of votes of the members of your Committees on Transportation and International 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. 30 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 3 (Green, Solomon, Taniguchi).

**SCRep. 59 Ways and Means on S.B. No. 1286**

The purpose and intent of this measure is to:

- (1) Appropriate additional general funds for the Office of the Governor and Office of the Lieutenant Governor to provide staffing from January 2011 through June 2011;
- (2) Appropriate additional general funds for the Department of Business, Economic Development, and Tourism to provide funds and positions for the Deputy Director and the Deputy Director's secretary;
- (3) Provide general fund positions for the Department of Defense for the Deputy Adjutant General and Deputy Adjutant General's secretary; and
- (4) Provide a general fund position for the Department of Labor for the Deputy Director's secretary.

Your Committee received testimony in support of this measure from Amy Asselbaye, Chief of Staff, Executive Chambers; Office of the Lieutenant Governor; Dwight Y. Takamine, Director, Department of Labor and Industrial Relations; and Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism.

Your Committee finds that this measure is in accordance with section 9 of article VII of the Hawaii Constitution and necessary to meet fiscal year 2010-2011 program requirements for the affected departments and offices.

Your Committee has amended this measure to:

- (1) Correctly reflect the underlying language of Act 162, Session Laws of Hawaii 2009, as amended by Act 180, Session Laws of Hawaii 2010; and
- (2) Make technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1286, 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, 5 (Dela Cruz, Fukunaga, Tokuda, Wakai, Slom).

**SCRep. 60 Ways and Means on S.B. No. 1288**

The purpose and intent of this measure is to provide emergency funding from the emergency and budget reserve fund to permit the awarding of grants to specified organizations to maintain levels of programs determined to be essential to education, public health, and public welfare.

More specifically, this measure amends Act 191, Session Laws of Hawaii 2010, to provide additional appropriations from the emergency and budget reserve fund, extend the lapse date of appropriations in Act 191 until June 30, 2012, and make technical corrections to Act 191.

Your Committee received testimony in support of this measure from: Governor Neil Abercrombie; Rodney A. Maile, Administrative Director of the Courts; Liz Ann Salvador, Chair, State Council on Developmental Disabilities; The Institute for Human Services; Nanci Kreidman, CEO, Domestic Violence Action Center; Adriana Ramelli, Executive Director, The Sex Abuse Treatment Center; Karen M. Holt, Executive Director, Molokai'i Community Service Council; Veronika Geronimo, Executive Director, Hawaii State Coalition Against Domestic Violence; Susan Doyle, President Aloha United Way; Tom Smith, Community Children's Council; Deborah L.K. Spencer-Chun, President and CEO, Adult Friends for Youth; M. Nalani Fujimori Kaina, Executive Director, Legal Aid Society of Hawaii; Ivaloe Sinclair, Chair, Special Education Advisory Council; Sandra J. Yoro, Executive Director, Special Education Center of Hawaii; Anastasia Keller-Collins, Easter Seals Disability Services; Wanda Villareal, President, Hawaii Waiver Providers Association; Laura Robertson, President, Goodwill Industries of Hawaii, Inc.; L. Dew Kaneshiro, Interim Executive Director, Volunteer Legal Services Hawaii; Joan Naguwa, President, The Children's Alliance of Hawaii; Tasha Kama; Ramoda Anand; Patricia McManaman, Interim Director, Department of Human Services; Stella Wong, Vice President of Programs, Catholic Charities of Hawaii; Blueprint for Change; Gail Breakey, Director, Hawaii Family Support Institute; Elisabeth Chun, Executive Director, Good Beginnings Alliance; Ed Flores, Executive Director, Hawaii Family Law Clinic; and Beth Giesting, Chief Executive Officer, Hawaii Primary Care Association.

Your Committee finds that the technical corrections made by this measure to Act 191, Session Laws of Hawaii 2010, are necessary to carry out the Legislature's intent to appropriate moneys from the emergency and budget reserve fund to specific organizations.

Your Committee has amended this measure by:

- (1) Adopting the recommendations of the Governor to:
  - (A) Repeal Section 24 of Act 191, Session Laws of Hawaii 2010, which appropriated \$2,000,000 from the emergency budget and reserve fund for QUEST health care payments for adult dental care; and
  - (B) Add two new sections to Act 191, Session Laws of Hawaii 2010, that appropriate:

- (i) \$1,900,000 out of the emergency budget and reserve fund to the Hawaii Primary Care Association for the provision of adult dental care at federally qualified health centers; and
- (ii) \$100,000 out of the emergency and budget reserve fund for Maui Community College, University of Hawaii, for the adult dental care program;
- (2) Amending section 31 of Act 191, Session Laws of Hawaii 2010, by designating the specific organizations receiving domestic violence services funding to be expended by the Judiciary and specifying the amounts that each organization is to receive;
- (3) Clarifying or correcting the name of several organizations receiving funding under Act 191, Session Laws of Hawaii 2010; and
- (4) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1288, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 4 (Dela Cruz, Tokuda, Wakai, Slom).

**SCRep. 61 Education on S.B. No. 244**

The purpose and intent of this measure is to update current statutory provisions related to benchmark reporting for the University of Hawaii, require the University of Hawaii to periodically review state needs related to higher education outcomes and indicators, and report biennially on its progress toward achieving performance outcomes in a manner that is transparent and linked to state higher education needs.

Your Committee received testimony in support of this measure from the University of Hawai'i System.

Your Committee finds that performance indicators are a clear way to measure the University of Hawaii's progress toward meeting its goals and addressing the higher education needs of the State. This measure reflects the State's current needs and priorities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 244 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 62 Education on S.B. No. 1171**

The purpose and intent of this measure is to amend Act 51, Session Laws of Hawaii 2004, to provide that the single school calendar for all public schools shall not apply to certain schools designated by the Board of Education in furtherance of a plan to improve educational outcome in students.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that while this measure provides the Board of Education with authority to exempt certain schools from the single school calendar, such exemptions should be related to reform plans such as Zones for School Innovation in Hawaii's Race to the Top application.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1171 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 (Taniguchi).

**SCRep. 63 Judiciary and Labor on Gov. Msg. No. 512**

Recommending that the Senate advise and consent to the nominations of the following:

**DIRECTOR OF THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

G.M. No. 512 DWIGHT TAKAMINE, for a term to expire December 1, 2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Dwight Takamine to possess the requisite qualifications to be nominated for Director of Labor and Industrial Relations.

Your Committee received testimony in support of the nomination of Dwight Takamine from United States Congressional Representative Colleen Hanabusa; Governor Neil Abercrombie; Robert K. Lindsey, Jr., Trustee, Office of Hawaiian Affairs; Clyde Namu'o, Chief Executive Officer, Office of Hawaiian Affairs; William Hoshijo, Executive Director, Hawai'i Civil Rights Commission; James P. Hardway, Executive Director, Workforce Development Council; Elaine Young, Senior Administrator, Workforce Development Division, Department of Labor and Industrial Relations; the Mayor of the county of Hawaii; Donald Ikeda, Council Member, Hawai'i County Council; International Brotherhood of Electrical Workers; The Hawaii Business League; Hawaii County Economic Opportunity Council; Hawaii Government Employees Association; Hawaii State AFL-CIO; Catholic Charities Hawai'i; Hawaii Laborers' Union; UNITE HERE Local 5; ILWU Local 142; International Association of Rehabilitation Professionals; Keaukaha Pana'ewa Farmers Association; Goodwill Industries of Hawaii, Inc.; Board of Directors of the University of Hawaii Professional Assembly; Hawaii Carpenters Union; Inter-Agency Council for Immigrant and Refugee Services; Hawaii Fire Fighters

Association; Hawaii Injured Worker's Alliance; Hawaii Employers' Mutual Insurance Company, Inc.; Hawaii Chapter, American Physical Therapy Association; Pride at Work Hawai'i; International Union of Painters and Allied Trades; District Council 50; Filipino Coalition for Solidarity; Nursing Advocates and Mentors, Inc.; Japanese Chamber of Commerce and Industry of Hawaii; Honokaa Business Association; Natural Cancer Wellness Foundation; and fifty-eight individuals.

Your Committee finds that Mr. Takamine has extensive legislative experience spanning from 1984, when he was first elected to the State House of Representatives, then later to the Senate in 2008, until November 2010, when he was appointed Interim Director of Labor and Industrial Relations. During his tenure in the House of Representatives, he served as the Chairperson of the Labor and Public Employment Committee for six years, the Water and Land Committee, and Finance Committee for eight years. After his election to the State Senate, he served as the Chairperson of the Labor Committee for two years. From this wide-ranging legislative experience, Mr. Takamine has developed a deep understanding of various labor programs, their benefit structure, and their impact on working families.

The various positions that Mr. Takamine held while representing portions of the Big Island involved leading the respective committees through numerous issues of severe complexity. As an example, he helped to lead and coordinate community recovery efforts following the closure of Hamakua Sugar Company, which involved establishing multiple task force structures within the community. The task forces identified needs and provided a community structure through which networking and a legislative lobbying effort was forged. He also worked closely with the Department of Labor and Industrial Relations on the Big Island, particularly with the unemployment insurance and workforce development programs.

Mr. Takamine also has substantial experience in the private practice of law. After he obtained a Juris Doctor degree from the William S. Richardson School of Law, Mr. Takamine has practiced law, primarily focused on labor law, handling cases in the areas of workers' compensation, unemployment insurance, and labor arbitration. From his thirty years as a practicing attorney, Mr. Takamine has gained experience in the various benefits relating to labor-related areas, but also the administrative process that is used to resolve disputes. While at the Legislature, he also developed a thorough understanding of how policies enacted by the Legislature, of which he is a part, play out when applied in practice.

Testimony submitted in support of the nominee commended his extensive labor law and legislative experience. Many testifiers noted that the dual roles he has assumed over the years have made him extremely knowledgeable about the substantive laws that the Department of Labor and Industrial Relations enforces and also about the complex relationship between operating budgets and employee costs, while not losing sight of how these laws impact individual workers and businesses. Testifiers commended his collaborative style, resulting in an ability to listen to the needs and concerns of all parties while working toward practical solutions. Mr. Takamine is described as an individual possessing the highest integrity, dedication to public service, honesty, professional and personal ethics, sound judgment, respect and understanding for others of diverse backgrounds and positions, and the ability to handle leadership responsibly, fairly, and compassionately.

Your Committee finds that, based on the testimony submitted on his behalf, Mr. Takamine is uniquely qualified to serve as the Director of Labor and Industrial Relations. With his diverse experience within the public and private sectors, Mr. Takamine has an impressive familiarity with the substantive laws and programs that the Department of Labor and Industrial Relations will enforce, and knowledge about how these substantive laws and policies work in practice gained through his representation of clients navigating through the process. Additionally, he has gained helpful experience grappling with budget complexities and the legislative process, and working relationships forged with business community, government agencies, nonprofit organizations, legislators, and other community members. Your Committee believes that his expertise in the labor law area and his exemplary personal qualities will serve the Department of Labor and Industrial Relations very well.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 64 (Majority) Judiciary and Labor on S.B. No. 1055**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit (8) and its excluded counterparts within the Executive Branch.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements, should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Correcting the collective bargaining unit number from (8) to (2);
- (2) Revising the name and program identification number of the appropriate fund into which funds shall be appropriated;
- (3) Adding language authorizing the expenditure of the appropriated monies; and
- (4) Limiting the designated excluded counterparts for whom appropriations shall be made to those officers and employees of the Executive Branch who belong to the same compensation plans as those officers and employees within collective bargaining unit (2).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1055, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1055, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 65 (Majority) Judiciary and Labor on S.B. No. 1061**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit (4) and its excluded counterparts within the Executive Branch.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (4), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Revising the name and program identification number of the appropriate fund into which funds shall be appropriated;
- (2) Adding language authorizing the expenditure of the appropriated monies; and
- (3) Limiting the designated excluded counterparts for whom appropriations shall be made to those officers and employees of the Executive Branch who belong to the same compensation plans as those officers and employees within collective bargaining unit (4).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1061, 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 (Ihara).

**SCRep. 66 (Majority) Judiciary and Labor on S.B. No. 1062**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit (8) and its excluded counterparts within the Executive Branch.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (8), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Revising the name and program identification number of the appropriate fund into which funds shall be appropriated;
- (2) Adding language authorizing the expenditure of the appropriated monies; and
- (3) Limiting the designated excluded counterparts for whom appropriations shall be made to those officers and employees of the Executive Branch who belong to the same compensation plans as those officers and employees within collective bargaining unit (8).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1062, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 67 (Majority) Judiciary and Labor on S.B. No. 1083**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit (9) and its excluded counterparts within the Executive Branch.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (9), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Revising the name and program identification number of the appropriate fund into which funds shall be appropriated;

- (2) Adding language authorizing the expenditure of the appropriated monies; and
- (3) Limiting the designated excluded counterparts for whom appropriations shall be made to those officers and employees of the Executive Branch who belong to the same compensation plans as those officers and employees within collective bargaining unit (9).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1083, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 68 (Majority) Judiciary and Labor on S.B. No. 1084**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit (6) and its excluded counterparts within the Executive Branch.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (6), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Revising the name and program identification number of the appropriate fund into which funds shall be appropriated;
- (2) Adding language authorizing the expenditure of the appropriated monies; and
- (3) Limiting the designated excluded counterparts for whom appropriations shall be made to those officers and employees of the Executive Branch who belong to the same compensation plans as those officers and employees within collective bargaining unit (6).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1084, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 69 (Majority) Judiciary and Labor on S.B. No. 1085**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit (3) and its excluded counterparts within the Executive Branch.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (3), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Revising the name and program identification number of the appropriate fund into which funds shall be appropriated;
- (2) Adding language authorizing the expenditure of the appropriated monies; and
- (3) Limiting the designated excluded counterparts for whom appropriations shall be made to those officers and employees of the Executive Branch who belong to the same compensation plans as those officers and employees within collective bargaining unit (3).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1085, 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 (Ihara).

**SCRep. 70 (Majority) Judiciary and Labor on S.B. No. 1095**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit (13) and its excluded counterparts within the Executive Branch.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (13), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Revising the name and program identification number of the appropriate fund into which funds shall be appropriated;
- (2) Adding language authorizing the expenditure of the appropriated monies; and
- (3) Limiting the designated excluded counterparts for whom appropriations shall be made to those officers and employees of the Executive Branch who belong to the same compensation plans as those officers and employees within collective bargaining unit (13).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1095, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 71 (Majority) Judiciary and Labor on S.B. No. 1063**

The purpose and intent of this measure is to appropriate unspecified sums for:

- (1) All collective bargaining cost items for state employees and officers in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation, in collective bargaining unit (13); and
- (2) Salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (13).

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

While it is uncertain whether the State is in a position to fund general salary increases for public employees at this time, your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (13), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Adding language authorizing the expenditure of the appropriated monies; and
- (2) Limiting the designated excluded counterparts for officers and employees employed by the Hawaii Health Systems Corporation for whom appropriations are made to those who belong to the same compensation plans as those officers and employees within collective bargaining unit (13).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1063, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 72 (Majority) Judiciary and Labor on S.B. No. 1064**

The purpose and intent of this measure is to appropriate unspecified sums for:

- (1) All collective bargaining cost items for state employees and officers in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation, in collective bargaining unit (4); and
- (2) Salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (4).

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

While it is uncertain whether the State is in a position to fund general salary increases for public employees at this time, your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (4), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Adding language authorizing the expenditure of the appropriated monies; and

- (2) Limiting the designated excluded counterparts for officers and employees employed by the Hawaii Health Systems Corporation for whom appropriations are made to those who belong to the same compensation plans as those officers and employees within collective bargaining unit (4).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1064, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1064, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 73 (Majority) Judiciary and Labor on S.B. No. 1075**

The purpose and intent of this measure is to appropriate unspecified sums for:

- (1) All collective bargaining cost items for state employees and officers in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation, in collective bargaining unit (8); and
- (2) Salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (8).

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

While it is uncertain whether the State is in a position to fund general salary increases for public employees at this time, your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (8), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Adding language authorizing the expenditure of the appropriated monies; and
- (2) Limiting the designated excluded counterparts for officers and employees employed by the Hawaii Health Systems Corporation for whom appropriations are made to those who belong to the same compensation plans as those officers and employees within collective bargaining unit (8).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1075, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 74 (Majority) Judiciary and Labor on S.B. No. 1077**

The purpose and intent of this measure is to appropriate unspecified sums for:

- (1) All collective bargaining cost items for state employees and officers in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation, in collective bargaining unit (6); and
- (2) Salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (6).

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

While it is uncertain whether the State is in a position to fund general salary increases for public employees at this time, your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (6), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Adding language authorizing the expenditure of the appropriated monies; and
- (2) Limiting the designated excluded counterparts for officers and employees employed by the Hawaii Health Systems Corporation for whom appropriations are made to those who belong to the same compensation plans as those officers and employees within collective bargaining unit (6).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1077, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).



**SCRep. 75 (Majority) Judiciary and Labor on S.B. No. 1096**

The purpose and intent of this measure is to appropriate unspecified sums for:

- (1) All collective bargaining cost items for state employees and officers in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation, in collective bargaining unit (9); and
- (2) Salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (9).

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

While it is uncertain whether the State is in a position to fund general salary increases for public employees at this time, your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (9), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee has amended this measure for the purposes of clarity and consistency by making technical, nonsubstantive changes, including the following:

- (1) Adding language authorizing the expenditure of the appropriated monies; and
- (2) Limiting the designated excluded counterparts for officers and employees employed by the Hawaii Health Systems Corporation for whom appropriations are made to those who belong to the same compensation plans as those officers and employees within collective bargaining unit (9).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1096, 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 (Ihara).

**SCRep. 76 Education on S.B. No. 1553**

The purpose and intent of this measure is to amend section 4 of Act 125, Session Laws of Hawaii 2008, to make permanent the provisions in section 302A-804, Hawaii Revised Statutes, that:

- (1) Reduce the maximum employment period for teachers hired on an emergency basis by the Department of Education from four to three years; and
- (2) Require those unlicensed teachers hired on an emergency basis prior to July 1, 2008, to attain licensure within four years from the date of employment.

Your Committee received testimony in support of this measure from the Department of Education, the Hawaii Teacher Standards Board, and the Hawai'i Educational Policy Center.

Your Committee finds that making the provisions of Act 125, Session Laws of Hawaii 2008, permanent provides for better alignment of the Hawaii teacher licensing requirements with the criteria for highly qualified teachers as prescribed by the federal No Child Left Behind Act of 2001, Public Law 107-110, as well as Hawaii's Race to the Top efforts.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1553 and recommends that 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. 77 Education on S.B. No. 1383**

The purpose and intent of this measure is to make a grant pursuant to chapter 42F, Hawaii Revised Statutes, to the Hawaii 3R's for school repair and maintenance.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii 3R's, the Principal of Lehua Elementary School, the Principal of Hale Kula Elementary School, the Assistant Principal of Kapolei High School, and one individual.

Your Committee finds that the backlog of repair and maintenance projects in the public schools continues to be a concern. Since 2001, Hawaii 3R's has been highly effective in leveraging state dollars, saving the State an estimated \$36,700,000 in costs for school repairs and maintenance that otherwise would have been necessary for the State to pay if it were not for the work of Hawaii 3R's. The imputed school repair and maintenance savings to the State is equal to more than \$12 worth of work completed for every dollar of state funding expended. This measure will support the continuation of Hawaii 3R's valuable work.

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 that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1383, 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 (Taniguchi).

**SCRep. 78 (Joint) Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs on S.B. No. 169**

The purpose and intent of this measure is to require the Departments of Defense and Transportation, in consultation with federal and state agencies and private organizations involved with shipping cargo into the State, to develop and implement a three-year pilot program to use dogs to inspect incoming cargo for illegal fireworks and explosives smuggled into the State.

Your Committees received testimony in support of this measure from one state department. Comments were received from one state department.

This measure is intended to increase random inspections of incoming cargo for illegal fireworks and explosives by establishing a pilot program using dogs to inspect cargo shipments after they have been transported from the harbors.

Your Committees find that more than two hundred thousand shipping cargo containers that arrive in Hawaii each year are from the continental United States. Only a small fraction of these containers, however, are inspected by government agencies. Shipping companies conduct random checks of less than five per cent of incoming cargo containers, and these inspections are mainly conducted to ensure that senders of cargo have been properly charged. This lack of sufficient cargo inspections means that there is ample opportunity for illegal fireworks and explosives to be smuggled into the State.

Your Committees have amended this measure by:

- (1) Making the pilot program permissive rather than mandatory;
- (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 consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 169, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 169, 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 (Dela Cruz, Gabbard, Kahele).

**SCRep. 79 Commerce and Consumer Protection on S.B. No. 651**

The purpose and intent of this measure is to require the Office of Consumer Protection to facilitate mediation between a borrower and a foreclosing lender to attempt to avoid foreclosure before a lender may foreclose on a residential property.

Your Committee received testimony in support of this measure from Hawaiian Community Assets; FACE Hawaii, Oahu and Maui Chapters; FACE Maui; Ewa by Gentry Community Association; and three private citizens. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance; Hawaii Bankers Association; Mortgage Bankers Association of Hawaii; Hawaii Financial Services Association; Community Associations Institute, Hawaii Chapter; Mililani Town Association; Pearl Regency Home Owners Association; Hawaii Credit Union League; Laulima, LLC; and ten private citizens. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and the Center for Alternative Dispute Resolution.

Your Committee finds that the rate of residential mortgage foreclosures nationwide has risen sharply over the past several years as a result of the current economic recession. During this time, Hawaii has earned the unfortunate distinction of having one of the highest foreclosure rates in the nation. Your Committee finds that a high rate of residential foreclosures disrupts not only the lives of individual homeowners, but also the fabric of the community.

Your Committee further finds that several other states and municipalities have mandated dispute resolution for the purpose of avoiding foreclosure or mitigating damages when foreclosure is inevitable. Many of these programs have been successful in allowing families to remain in their homes or coming to solutions that reduce damage to homeowners and the community when foreclosure is the only option. Your Committee finds that key components of a successful program are its mandatory nature and the inclusion of appropriate enforcement mechanisms to compel good faith participation by all parties. Your Committee finds that Nevada's foreclosure mediation program is widely recognized as one such successful program. Therefore, your Committee finds that Nevada's foreclosure mediation program is an appropriate model for a similar mandatory dispute resolution program in this State.

Your Committee also finds that this measure, as amended, mandates dispute resolution between a residential mortgagor and a foreclosing mortgagee, based on Nevada's successful program. Your Committee notes that placing the dispute resolution process in the Judiciary's Center for Alternative Dispute Resolution allows for the use of already-existing resources and institutional expertise while avoiding unnecessary duplication of services within state government.

Your Committee has amended this measure by deleting its contents and replacing them with provisions to:

- (1) Define the scope and purpose of the measure;

- (2) Require that a foreclosing mortgagee participate in dispute resolution pursuant to the requirements of this measure and at the election of a mortgagor before a court may issue a judgment of foreclosure or before a public sale may be held in a nonjudicial power of sale foreclosure;
- (3) Require that notice to the mortgagor of the option to elect dispute resolution, which includes specified information, be included with the notice of foreclosure already required by existing statute;
- (4) Specify that a mortgagor's election to pursue dispute resolution stays the relevant foreclosure proceeding pending the outcome of the dispute resolution;
- (5) Establish requirements for the dispute resolution process including parties' right to representation by counsel or by an approved housing counseling agency, provision of certain information, consequences of each party's failure to attend or comply with the rules of dispute resolution, and disposition of a matter where the parties are unable to come to agreement;
- (6) Require that an agreement of the parties reached through dispute resolution be memorialized in a resolution document that shall be filed with the Court, the Bureau of Conveyances, or the Land Court, as appropriate, and that shall be enforceable in a private contract action;
- (7) Provide for the confidentiality of personal and financial information disclosed in the course of dispute resolution;
- (8) Establish minimum qualifications for facilitators of dispute resolution pursuant to this measure;
- (9) Establish a fee of not more than \$400 for dispute resolution, to be shared equally between the parties;
- (10) Specify that the dispute resolution process established by this measure shall be mandatory for all judicial foreclosures and nonjudicial power of sale foreclosures of residential property occupied as the mortgagor's primary residence excluding actions by an association to collect on a lien owed to the association;
- (11) Authorize the Chief Justice of the Supreme Court to adopt rules for the establishment and administration of the foreclosure mediation program established by this measure;
- (12) Create a special fund to be expended by the Judiciary, composed of fees for dispute resolutions and filing fees for Circuit Court foreclosure actions and documents related to foreclosures filed with the Land Court and Bureau of Conveyances to fund the Foreclosure Dispute Resolution Program created by this measure;
- (13) Making conforming amendments to existing statutory sections;
- (14) Establishing a moratorium on foreclosures, whether by action or by power of sale, for a period of six months from the effective date of this measure; and
- (15) Making an appropriation to the Foreclosure Dispute Resolution Special Fund from the general fund, to be reimbursed by the Foreclosure Dispute Resolution Special Fund upon the special fund achieving sustainability.

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. 651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 651, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 80            Education on S.B. No. 806**

The purpose and intent of this measure is to:

- (1) Allow teacher and educational officer members of the Board of Education who retire during a term to serve the remainder of their term up to three consecutive three-year terms;
- (2) Add training in dealing with bullying of students and training on certain new student and teacher performance standards to the requirements for license renewal;
- (3) Extend the term of the renewable advanced teacher's license from five years to ten years;
- (4) Create a new career and technical education license available for those with appropriate industry experience but no bachelor's degree; and
- (5) Add national accreditation from a teacher education accrediting body approved by the United States Department of Education as a requirement for state approval of teacher education programs.

Your Committee received testimony in support of this measure from the Department of Education and the Hawaii Teacher Standards Board. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that teacher training on the bullying of students provides teachers with skills to deal with the growing issue of bullying in the public schools. However, rather than requiring training to address bullying as a prerequisite for license renewal, your Committee strongly recommends that the Department of Education, the University of Hawaii, and the Hawaii Teacher Standards Board explore teacher training on bullying through administrative rules, changes in the curriculum of teacher education programs, and professional development courses.

Your Committee has amended this measure by removing:

- (1) The requirement for training in dealing with bullying of students for license renewal; and
- (2) Section 4 of this measure, which added national accreditation from a teacher education accrediting body approved by the United States Department of Education to the requirements for state approval of teacher education programs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 806, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 81 Public Safety, Government Operations, and Military Affairs on S.B. No. 880**

The purpose and intent of this measure is to prohibit any person from carrying out a demonstration at a state or county veteran's cemetery except as approved by the council of the county in which the cemetery is located. This measure specifies the time periods before and after a funeral, memorial service, or ceremony for which a council may grant approval for a demonstration.

Your Committee received testimony in support of this measure from one government agency and three private entities. Testimony in opposition to this measure was received from one national organization.

Your Committee finds that this measure is intended to apply to funeral services at veterans' cemeteries. Recent incidents on the mainland have involved protests at funerals of fallen military servicemen in a show of protest to war. Your Committee believes that respect for the deceased should be observed within a reasonable amount of time before, during, or after a funeral, memorial service, or ceremony.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 82 Public Safety, Government Operations, and Military Affairs on S.B. No. 171**

The purpose and intent of this measure is to make it unlawful to ignite, possess, sell, or otherwise use aerial luminaries, commonly known as sky lanterns, Hawaii lanterns, and flying luminaries, and to define "aerial luminary".

Your Committee received testimony in support of this measure from one state department and one county department.

Your Committee finds that the uncontrolled release of aerial luminaries are potential fire hazards that pose an unacceptable risk of danger to life and property. Known generically as sky lanterns, the lanterns rise when a flame is lit and can reach altitudes of one thousand feet but are subject to wind conditions. They can land anywhere, such as on houses, in trees, or on power lines.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 171, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 83 Public Safety, Government Operations, and Military Affairs on S.B. No. 172**

The purpose and intent of this measure is to:

- (1) Require the labeling of display fireworks;
- (2) Impose certain time restrictions on the use of certain fireworks;
- (3) Require fireworks licenses to provide certain information to the appropriate county fire chief prior to booking shipment; and
- (4) Authorize the county fire chief to:
  - (A) Conduct an inspection of display personnel and sites to determine compliance with the county code and current national fire protection safety standards; and
  - (B) Immediately revoke or suspend any permit for display of aerial devices for specified safety reasons.

Your Committee received testimony in support of this measure from one state department and one county department. Comments were received from one individual.

Your Committee finds that this measure facilitates the arrest and prosecution for the purchase, possession, setting off, igniting, or discharging of fireworks.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "permanent" for precision and simplicity; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 172, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 172, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 84 Public Safety, Government Operations, and Military Affairs on S.B. No. 173**

The purpose and intent of this measure is to prohibit the sale or distribution of novelty lighters within the State, and to define novelty lighter.

Your Committee received testimony in support of this measure from one state department and one county department.

Your Committee finds that novelty cigarette lighters have features that are attractive to children, including visual effects, flashing lights, musical sounds, or toy-like designs. The Consumer Product Safety Commission has recalled thousands of novelty lighters since 1996 due to their danger to public safety. Fires started by juveniles have been identified as the fastest growing fire threat in the United States, resulting in more than three hundred people killed, a third of which are children. Fires started by children have also resulted in almost \$1,000,000,000 in property damage.

Many local and national public safety agencies, including the National Fire Protection Association, Western Fire Chiefs Association, and the National Association of State Fire Marshals, support a ban on the sale and distribution of novelty lighters.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 173, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 85 Public Safety, Government Operations, and Military Affairs on S.B. No. 782**

The purpose and intent of this measure is to make it unlawful for any person to construct, set off, ignite, discharge, or otherwise cause to explode any homemade explosive device and establishes the knowing or intentional constructing, setting off, igniting, discharging, or otherwise causing an explosion of a homemade explosive device as a class C felony.

Your Committee finds that homemade explosive devices are inherently dangerous to life and limb. Your Committee believes that homemade explosive devices serve no legitimate purpose other than to cause harm and injury.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 782, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 86 Public Safety, Government Operations, and Military Affairs on S.B. No. 94**

The purpose and intent of this measure is to clarify that prior to commencement of construction on any new structure or new alteration or addition to any property or structure, or before any associated equipment, materials, installations, or procedures are expended, the plans and specifications for the work are required to be submitted to the proper jurisdictional authority responsible for enforcement of the applicable code or standard.

Your Committee received testimony in support of this measure from one state department and one county department.

Your Committee finds that section 132-9, Hawaii Revised Statutes, which authorizes the appropriate county fire chief to approve plans and specifications of any building before work may commence, has not been updated for many years. Your Committee further finds that the county building plan approval process differs from county to county and the State may also be involved in the approval process for buildings, equipment, materials, installations, or procedures. This measure ensures that the appropriate department or office is authorized to approve building plans for all new construction, alterations, or additions to any building or structure located within the State, and to approve equipment, materials, installations, or procedures associated with the plans.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 94 and recommends that 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 (Slom).

**SCRep. 87 Public Safety, Government Operations, and Military Affairs on S.B. No. 258**

The purpose and intent of this measure is to establish a Reduced Ignition Propensity Cigarette Program Special Fund, into which shall be deposited all monies collected by the State Fire Council from the Reduced Ignition Propensity Cigarette Program.

Your Committee received testimony in support of this measure from one state department and one county department. Testimony in opposition to this measure was received from one state department.

Under this measure, monies in the Reduced Ignition Propensity Cigarette Program Special Fund will be administered and expended by the State Fire Council to defray the actual cost of activities and requirements of certification of reduced ignition propensity cigarettes.

Your Committee finds that the establishment of the Reduced Ignition Propensity Cigarette Program Special Fund is necessary for the State Fire Council to meet staffing needs for the administration of the Reduced Ignition Propensity Cigarette Program. Your Committee further finds that since the Program's implementation in 2009, approximately \$370,000 in regulatory fees have been collected – monies that should be used to hire an Administrator and Assistant for the Program to perform the duties specified in this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 258 and recommends that 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 (Slom).

**SCRep. 88 Public Safety, Government Operations, and Military Affairs on S.B. No. 742**

The purpose and intent of this measure is to allow the State Fire Council to employ an Administrator and Administrative Assistant.

Your Committee received testimony in support of this measure from one state department and one county department.

This measure specifies the duties of the Administrator and Administrative Assistant. The monies for the positions would come from the Department of Labor and Industrial Relations, under which the State Fire Council is placed administratively in current law.

Your Committee finds that currently, the State Fire Council has one part-time Administrative Assistant position, and there is no statutory provision for the hiring of staff. More positions are needed for the State Fire Council to fulfill its statutory mandates and to protect the public safety.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 742, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 742, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 89 Public Safety, Government Operations, and Military Affairs on S.B. No. 879**

The purpose and intent of this measure is to repeal the uniform maintenance allowance for enlisted personnel on July 1, 2112.

Your Committee received testimony in support of this measure from one state department. Testimony in opposition to this measure was received from one individual.

According to testimony of the State Department of Defense, this measure would allow monies that were earmarked for uniform maintenance to be reallocated to the Hawaii National Guard Tuition Assistance Program. This program awards tuition assistance to qualified, enlisted warrant officers, and officers up to the rank of Captain who are state residents and undergraduate students working toward a degree on any campus in Hawaii.

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

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 879, 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 (Ryan, Slom).

**SCRep. 90 Public Safety, Government Operations, and Military Affairs on S.B. No. 882**

The purpose and intent of this measure is to direct the Office of Veterans' Services of the Department of Defense, with the assistance of the Department of Accounting and General Services and the Department of Defense, to develop a plan to establish a

memorial honoring the veterans of the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn on the grounds of the State Capitol near the Korean and Vietnam War Memorial.

Your Committee received testimony in support of this measure from one state agency and one private entity. Testimony in opposition to this measure was received from one state department.

Your Committee finds that the freedom and security that citizens of the United States enjoy today are direct results of the sacrifices and continued vigilance of the United States Armed Forces over the course of our nation's history. The sacrifices of the members of the United States Armed Forces have preserved the liberties of this nation that have made it unique in the world community. Your Committee further finds that it is both fitting and necessary for the State to give tangible and visible recognition of the sacrifices and contributions of veterans from Hawaii who served in the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn.

Your Committee is aware that although the Middle East conflict is ongoing and although memorials are usually erected after the ending of a war, this measure addresses only the planning of a memorial which would likely be built after the end of the Middle East wars.

Your Committee has amended this measure by:

- (1) Adding Operation Northern Watch, Operation Southern Watch, and other Middle East combat conflicts beginning with Operation Desert Storm, to the list of wars for which veterans the memorial shall be established to honor;
- (2) Clarifying that the memorial site may be located in an area near the State Capitol;
- (3) Requiring the plan to include proposals to fund the memorial through a public-private partnership; and
- (4) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 882, 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 (Ryan, Slom).

**SCRep. 91 Public Safety, Government Operations, and Military Affairs on S.B. No. 883**

The purpose and intent of this measure is to require the issuance of special motor vehicle license number plates to qualifying Gold Star family members.

Your Committee received testimony in support of this measure from one state agency, one county department, and one individual.

Your Committee finds that the "Gold Star" category of license plates would allow drivers in Hawaii to recognize and honor the family members who have given up one of their own upon that most sacred altar of freedom. The Gold Star license plate represents a life that has been lost and reminds everyone that freedom is not free. The special license plate honors the lives of all of our fallen warriors so that they will never be forgotten.

Your Committee has amended this measure by:

- (1) Adding grandparents to the family members who may qualify for issuance of the special license plate; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 883, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ryan, Slom).

**SCRep. 92 Public Safety, Government Operations, and Military Affairs on S.B. No. 1122**

The purpose and intent of this measure is to make an appropriation for the Hawaii Civil Air Patrol to continue its missions in the State of Hawaii, including tsunami warning operations.

Your Committee received testimony in support of this measure from one state department, one auxiliary federal entity, and two individuals.

Your Committee finds that the Hawaii Civil Air Patrol provides necessary disaster relief, search and rescue, homeland security, and medical emergency transport services. An appropriation will assist the Hawaii Civil Air Patrol to continue its missions, including tsunami warning operations, which have been Hawaii Civil Air Patrol's primary mission in Hawaii.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122 and recommends that 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 (Ryan, Slom).

**SCRep. 93 (Joint) Commerce and Consumer Protection and Transportation and International Affairs on S.B. No. 1321**

The purpose and intent of this measure is to amend state law regarding the requirements for a commercial driver's license to conform to the applicable Federal Motor Carrier Safety Regulations.

Your Committees received testimony in support of this measure from the Department of Transportation and the Hawaii Transportation Association.

Your Committees find that the amendments to existing state law proposed by this measure are necessary to comply with the requirements of the Federal Motor Carrier Safety Regulations. Specifically, your Committees find that this measure will allow the examiner of drivers to withhold the authority to operate under a commercial driver's license from individuals who do not meet the medical criteria required to ensure safe operation of a commercial motor vehicle. Your Committees note that failure to make the amendments to existing law proposed by this measure will result in noncompliance with controlling federal regulations and significant penalties in the form of withholding of federal funds each year that the State remains out of compliance.

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 Commerce and Consumer Protection and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1321, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1321, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Green, Solomon, Taniguchi).

**SCRep. 94 Education on S.B. No. 807**

The purpose and intent of this measure is to:

- (1) Clarify that charter schools that have their charters revoked or their reauthorization denied may appeal to the Board of Education for a final decision;
- (2) Prohibit a relative of a designated head of a school or employee of a charter school from serving as the chair of the local school board;
- (3) Require charter schools and their local school boards to develop internal policies and procedures consistent with the ethical standards of conduct, pursuant to chapter 84, Hawaii Revised Statutes; and
- (4) Clarify that the Charter School Review Panel shall conduct a multi-year evaluation of each charter school every six years after the first evaluation.

Your Committee received testimony in support of this measure from the Charter School Administrative Office, the Charter School Review Panel, Kamehameha Schools, Ho'okako'o Corporation, and the Hawaii Technology Academy.

Your Committee finds that ethical issues, such as nepotism, in the charter school system must be addressed. This measure will bring greater transparency and accountability to the charter school system in part by requiring charter schools and their local school boards to develop ethical standards of conduct. As an additional means of addressing accountability in the charter school system, your Committee finds that further clarification of the roles, governance structure, and authority of the various stakeholders in the charter school system is necessary.

Accordingly, your Committee has amended this measure by:

- (1) Creating and designating members to a Task Force on Charter School Governance, Accountability, and Authority (Task Force); and
- (2) Requiring the Task Force to:
  - (A) Develop legislation or administrative rules that clearly and definitively designate the governance structure and authority between and among the key charter school organizations, the Department of Education, the Board of Education, and the Governor;
  - (B) Identify how the charter school structure relates to the State Education Agency and the Local Education Agency; and
  - (C) Submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 807, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 95 Education on S.B. No. 1283**

The purpose and intent of this measure is to amend section 302A-605, Hawaii Revised Statutes, to provide alternatives to principal and vice-principal candidate qualifications that conflict with the requirements of the federal Race to the Top grant program.

Your Committee received testimony in support of this measure from the Department of Education.



Your Committee finds that the current Department of Education requirements for certification of principals and vice-principals are too restrictive and conflict with requirements of the federal Race to the Top grant. This measure will amend the current requirements to allow principal and vice-principal candidates to meet certification requirements through alternative routes to certification that meet the federal Race to the Top grant requirements.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1283 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 96 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 1233**

The purpose and intent of this measure is to amend current law governing charitable solicitation to enhance the enforcement authority of the Department of the Attorney General.

Your Committees received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, the Department of the Attorney General, the Hawaii Association of Independent Schools, the Hawai'i Alliance of Nonprofit Organizations, and the Better Business Bureau of Hawaii. Your Committees received comments on this measure from two private individuals.

Your Committees find that Hawaii is a national leader in providing consumer protection in charitable donations. This State's charitable solicitation laws create transparency for donors and beneficiaries of charitable organizations by requiring registration of organizations and fundraising professionals and providing for a public accounting of an organization's receipts and expenditures. Your Committees find that the amendments contained in this measure will strengthen the consumer protections contained in the current law by granting the Department of the Attorney General the authority to more effectively enforce the requirements of the law.

Your Committees note that the majority of registered charitable organizations that solicit money within the State are located outside of the State; additionally, personal service of process may be difficult or impossible for some Hawaii-domiciled entities. The provisions in this measure allowing the Department of the Attorney General to accept service of process on behalf of out-of-state registrants and to provide for alternate service mechanisms will allow the Attorney General to more effectively regulate these entities.

Additionally, your Committees find that the remaining provisions in this measure clarify areas of the existing law that have been ambiguous and may have allowed entities to circumvent compliance with the spirit of the regulatory structure embodied in chapter 467B, Hawaii Revised Statutes.

Finally, your Committees are pleased to find that the Department of the Attorney General has been efficient enough in its operations that filing fees collected from charitable organizations have outpaced expenditures involved in managing the regulatory structure created by chapter 467B. Therefore, your Committees find that it is appropriate to reduce the filing fees paid by regulated entities.

Your Committees have amended this measure by:

- (1) Clarifying that educational institutions accredited by the National Association for the Education of Young Children are included in the educational institutions that are exempt from registration and financial disclosure requirements;
- (2) Reducing filing fees paid by regulated entities by specifying that fees shall be based on gross revenues and reducing the amount of fees paid by certain entities; 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 Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1233, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1233, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 97 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 1181**

The purpose and intent of this measure is to create a working group on form-based code zoning to examine and make recommendations as to whether the counties should implement form-based code zoning in place of or as an alternative to existing zoning practices.

Your Committees find that form-based code zoning provides an alternative to current zoning practices. Form-based code zoning uses physical form, rather than the separation of uses, as the organizing principle for the codes. Form-based codes address the relationship between building facades and the public realm, the form and mass of buildings in relation to one another, and the scale and types of streets and blocks. The regulations and standards in form-based codes are presented in both words and clearly drawn diagrams and other visuals. They are keyed to a *regulating plan* that designates the appropriate form and scale, and therefore the character of development, rather than only distinctions in land use types.

Your Committees further find that form-based code zoning typically implements a community plan to achieve a community vision based on time-tested forms of urbanism. Ultimately, the quality of development outcomes depends on the quality and objectives of the community plan as implemented by form-based code zoning.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1181 and recommend that it pass Second Reading and be referred to the Committee on Economic Development and Technology.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Tokuda).

**SCRep. 98 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 1558**

The purpose and intent of this measure is to:

- (1) Permit the establishment of special purpose overlay districts in each county for the purpose of creating incentives for urban renewal that are consistent with that respective county's long-range, comprehensive general plan;
- (2) Create the Urban Renewal Task Force to investigate the need for redevelopment in urban areas in each of the counties and to make recommendations for implementing a state-wide plan for urban renewal; and
- (3) Appropriate funds for the allowable travel expenses of the Urban Renewal Task Force.

Your Committees received testimony in support of this measure from the Department of Planning and Permitting, City and County of Honolulu.

Your Committees find that many communities contain blighted areas that constitute physical and economic liabilities that require redevelopment in the interest of the health, safety, and general welfare of the people of these communities. The Urban Renewal Task Force established by this measure will designate potential redevelopment project areas in each county and identify the specific needs of each area. This measure is intended to stimulate urban renewal, including new job and housing opportunities, the development or improvement of public facilities, recreational opportunities, and basic infrastructure, through state and county efforts that may be undertaken together with private partners to revitalize the urban communities in our State.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1558 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Tokuda).

**SCRep. 99 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 1326**

The purpose and intent of this measure is to allow cost sharing in a state or county project for the relocation, undergrounding, or installation of new utility facilities.

Your Committees received testimony in support of this measure from the Department of Transportation and a representative of the Hawaiian Electric Company, Inc.

Your Committees find that under section 103D-309, Hawaii Revised Statutes, cost sharing applies only to relocation of facilities pursuant to section 264-33, Hawaii Revised Statutes. Your Committees further find that this measure allows cost sharing for work in addition to the relocation of facilities, such as undergrounding and installation of new facilities, which benefits both the public and state agencies by allowing projects to be advertised and awarded without waiting for the deposit of utility monies. Your Committees also find that the longer advertising and award periods will result in more efficient work on the project. Additionally, this measure allows utilities, including public utilities, upon the State's certification of available funds, to be able to deposit funds for utility work in highway projects at a later date, thereby freeing up utility funds for other much-needed projects.

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 Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1326, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1326, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Tokuda).

**SCRep. 100 (Majority) Commerce and Consumer Protection on S.B. No. 1324**

The purpose and intent of this measure is to ensure sufficient funding for the routine operation and maintenance of the state highway system by extending the current Rental Motor Vehicle Surcharge Tax beyond its sunset date of August 31, 2011, and to make an appropriation from the State Highway Fund to the Department of Transportation for the operation and maintenance of the state highway program.

Your Committee received testimony in support of this measure from the Department of Transportation and the Department of Taxation. Your Committee received comments on this measure from Tax Foundation of Hawaii.

Your Committee finds that under current law, the Rental Motor Vehicle Surcharge Tax will be reduced from \$3 per day to \$2 per day effective September 1, 2011. The State Highway Fund finances the maintenance and repair of essential infrastructure including roadways, bridges, drainage systems, landscaping, irrigation, and road safety features such as fencing, walls, traffic signs, guardrails,

highway pavement markings, lighting systems, sidewalks, and wheelchair ramps. Your Committee finds that the imminent reduction in the Rental Motor Vehicle Surcharge Tax will result in a loss of approximately \$13,400,000 in revenue to the State Highway Fund. Therefore, extension of the current amount of the tax is necessary to maintain the State Highway Fund's revenue stream so that the State Highway Fund may continue its operations in funding routine maintenance, special maintenance, capital improvement projects, and emergency expenses. Your Committee further finds that a reduction in revenue imperils not only the safe conditions of the State's highway system, but also the State's ability to comply with federal maintenance requirements that are a condition for continued receipt of federal transportation funding.

Your Committee has amended this measure by changing its effective date to July 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 S.B. No. 1324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1324, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (Nishihara).

**SCRep. 101 Economic Development and Technology on S.B. No. 752**

The purpose and intent of this measure is to amend the uses of the Hawaii Community-Based Economic Development Revolving Fund to include operational and certain personnel funding for the Community-Based Economic Development Program and the Enterprise Zone Program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and FACE.

Your Committee finds that these two programs are important economic generators for the State and have the potential to provide significant assistance to Hawaii's small businesses and the community-based nonprofit sectors by creating better-paying jobs and stronger economic opportunities.

Your Committee further finds that without adequate funding, the Community-Based Economic Development Program and the Enterprise Zone Program will be unable to support the necessary personnel and operating costs, provide grants and loans to community nonprofit organizations, and support the operating costs of the Community-Based Economic Development Advisory Council. The two programs do not charge communities or businesses fees for their services and must identify and obtain funds from other sources, in addition to any appropriations of state General Fund monies.

Your Committee has received information that the resources required for the two programs would total approximately \$320,000 annually, including \$135,000 in personnel costs for two full-time economic development specialist positions, \$35,000 in operating costs, and \$150,000 for grants and micro loans. Your Committee believes that funding the two specialist positions will enable the Department of Business, Economic Development, and Tourism to rely on their assistance in identifying and obtaining funds from other sources, in addition to any appropriations of state General Fund monies.

Your Committee has amended this measure by:

- (1) Clarifying that the monies in the Hawaii Community-Based Economic Development Revolving Fund shall also be used to support the operating costs of the Community-Based Economic Development Advisory Council;
- (2) Appropriating an unspecified amount from general revenues for deposit in the Hawaii Community-Based Economic Development Revolving Fund for the operations of the Community-Based Economic Development Program established under chapter 210D, Hawaii Revised Statutes, and the Enterprise Zone Program established under chapter 209E, Hawaii Revised Statutes; 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. 752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 752, 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 (Solomon). Noes, none. Excused, none.

**SCRep. 102 Economic Development and Technology on S.B. No. 778**

The purpose and intent of this measure is to repeal Act 155, Session Laws of Hawaii 2010, which:

- (1) Requires all businesses that have excise tax exemptions to register to do business in Hawaii, file their tax returns in a timely manner, and expressly claim their entitlement; and
- (2) Creates a personal trust liability for businesses that use the general excise tax as the basis for increasing their prices to ensure that those funds are paid to the State for the benefit of consumers and businesses.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii; the Tax Committee of the Hawaii Society of Certified Public Accountants; National Federation of Independent Business; Aloha Society of Association Executives - Hawaii; Chun, Kerr, Dodd, Beaman & Wong; Hawai'i Alliance of Nonprofit Organizations; Hawai'i Community Foundation; and two individuals. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that Act 155, while well intended, imposes disproportionate penalties for simple tax filing oversight. Act 155 stipulates possible tax-exemption revocation for a taxpayer that willfully neglects to file the annual G-49 form within twelve months of

the due date. Numerous testifiers have raised concerns that this policy does not provide sufficient due process, as it is a significant departure from the existing tax law, and will cause confusion among nonprofits in particular in terms of their tax reporting requirements and tax obligations.

While Act 155 authorized the Director of Taxation to waive the denial of the general excise tax benefit if the failure to comply is due to reasonable cause and not to the willful neglect of the taxpayer, it is not clear how reasonable cause is defined, creating another level of uncertainty.

In addition, the threat of personal liability for responsible persons raises yet another barrier to recruiting qualified volunteer board members for nonprofit organizations, particularly small volunteer organizations.

Your Committee finds that these issues raise serious concerns about the provisions of Act 155, and your Committee is in support of its repeal.

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. 778 and recommends that 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 (Slom).

**SCRep. 103      Agriculture on S.B. No. 14**

The purpose and intent of this measure is to:

- (1) Expand the authorized uses of the Agricultural Development and Food Security Special Fund to include improvement and investigative studies of dams and reservoirs; and
- (2) Authorize the Director of Finance to issue general obligation bonds for the Special Fund.

Your Committee received testimony in support of this measure from the Department of Agriculture; the Hawaii Farm Bureau Federation; Dole Food Company Hawaii; Kamehameha Schools; Alexander & Baldwin, Inc.; and the Land Use Research Foundation.

Your Committee finds that dams and reservoirs are critical components of functioning irrigation systems. This measure will allow the use of special fund monies to include improvements to and investigative studies of dams and reservoirs.

Your Committee has amended this measure by:

- (1) Adding language to clarify that the matching revenue provisions in section 2 of the measure would only be required for privately owned dams, reservoirs, or irrigation systems; and
- (2) Eliminating unnecessary references to Phase I and Phase II investigations in section 2 of the measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 14, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 14, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 4 (Chun Oakland, Shimabukuro, Wakai, Slom).

**SCRep. 104      Agriculture on S.B. No. 1142**

The purpose and intent of this measure is to make a grant, pursuant to chapter 42F, Hawaii Revised Statutes, to 4Ag Hawaii, a Hawaii non-profit corporation, to expand its outreach and electronic educational initiatives to promote good agricultural practices and to raise awareness of the importance of agriculture and expanding the agricultural industry in Hawaii.

Your Committee received testimony in support of this measure from the Department of Agriculture, the Hawaii Cattlemen's Council, and Alluvion, Inc.

Your Committee finds that 4Ag Hawaii has been successful in promoting sustainable agricultural economic development, and continued monetary support will allow 4Ag Hawaii to expand its initiatives to help the State move toward improved food safety and security.

Your Committee also finds that as food safety becomes an increasingly important issue, the Department of Agriculture can assist the agriculture industry by providing training, certification, support, and assistance on food safety and security issues.

Your Committee has amended this measure by:

- (1) Establishing a Food Safety and Security Program within the Department of Agriculture;
- (2) Making an appropriation to the Department of Agriculture for the Food Safety and Security Program; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1142, 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, 4 (Chun Oakland, Kouchi, Shimabukuro, Wakai).

**SCRep. 105      Agriculture on S.B. No. 1145**

The purpose and intent of this measure is to:

- (1) Require the State to attain certain food sustainability standards by specific deadlines;
- (2) Require the Department of Agriculture to monitor the State's progress in meeting the food sustainability standards;
- (3) Authorize the Department of Agriculture to impose penalties for the State's failure to reach food sustainability standards;
- (4) Require the Department of Agriculture to report to the Legislature annually; and
- (5) Make an appropriation to the Department of Agriculture for the establishment of food sustainability standards and related oversight, planning, and monitoring responsibilities.

Your Committee received testimony in support of this measure from the Sierra Club, Hawai'i Chapter; Hui Kalo/Governor's Taro Task Force; and nine individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that increasing local food production through establishment of specific and measureable goals will help reduce the State's dependency on imported food.

Your Committee has amended this measure by:

- (1) Removing the authorization of the Department of Agriculture to impose penalties for the States failure to reach food sustainability standards; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1145, 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, 4 (Chun Oakland, Kouchi, Shimabukuro, Wakai).

**SCRep. 106      Agriculture on S.B. No. 1155**

The purpose and intent of this measure is to establish the Long-Term Agricultural Lease Task Force within the Department of Agriculture.

Your Committee received testimony in support of this measure from the Hawaii Cattlemen's Council; the Environmental Caucus of the Democratic Party of Hawai'i; the Hawaii Farmers Union; the Hawai'i Island School Garden Network; the Sierra Club, Hawai'i Chapter; Meleanas Farm; the Kaua'i School Garden Network; and twelve individuals. Your Committee received comments on this measure from the Department of Agriculture and one individual.

Your Committee finds that limitations on lease terms affect the ability of small farmers and agricultural enterprises to pursue innovative solutions in the field of diversified agriculture. Developing a plan and recommendations to expand the availability of long-term leases that are favorable to small farmers and agricultural enterprise will improve community investment in long-term food sustainability in the State.

Your Committee has amended this measure by adding to the membership of the Task Force a representative from:

- (1) Kamehameha Schools;
- (2) Alexander & Baldwin, Inc.; and
- (3) Grove Farm Company, Inc.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1155, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun Oakland, Kouchi, Shimabukuro, Wakai).

**SCRep. 107      Agriculture on S.B. No. 1153**

The purpose and intent of this measure is to:

- (1) Reduce the New Farmer Program loan interest rate;
- (2) Increase the Program's loan limits;
- (3) Reduce the number of credit denials required to qualify for the Program;
- (4) Make an appropriation into the Agricultural Loan Revolving Fund; and
- (5) Appropriate monies out of the Fund for the New Farm Program.

Your Committee received testimony in support of this measure from the Department of Agriculture and the Hawaii Farm Bureau Federation.

Your Committee finds that as the number of new farms in the State increases, affordable capital for new farmers must be made more readily available. This measure provided easier and more affordable access to capital that is crucial in encouraging new farmers to enter the agriculture market.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1153 and recommends that 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, 4 (Chun Oakland, Shimabukuro, Wakai, Slom).

**SCRep. 108 Agriculture on S.B. No. 1209**

The purpose and intent of this measure is to make an appropriation for the operation and maintenance of the East Kauai Irrigation System.

Your Committee received testimony in support of this measure from the Department of Agriculture; the Agribusiness Development Corporation; the Hawaii Farm Bureau Federation; the East Kauai Water Users' Cooperative; the Kauai County Farm Bureau; Syngenta Hawaii LLC; the Hawaii Cattlemen's Council; Pioneer Hi-Bred International, Inc.; the Hawaii Crop Improvement Association; and the Kaua'i Chamber of Commerce. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that reliable irrigation water is critical for the survival of agricultural crops in Kapaa on the island of Kauai. This measure will assist the East Kauai Water Users' Cooperative to continue its operation and maintenance of the East Kauai Irrigation System, especially in light of the fact that no appropriation has been released to the Cooperative in the past two years to maintain the System.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1209 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 4 (Chun Oakland, Shimabukuro, Wakai, Slom).

**SCRep. 109 Economic Development and Technology on S.B. No. 757**

The purpose of this measure is to appropriate monies for the Hawaii Capital Loan Program established pursuant to chapter 210, Hawaii Revised Statutes. The intent of this measure is to provide additional financial resources to assist the economic recovery of Hawaii's small businesses.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, The Chamber of Commerce of Hawaii, and one individual.

Your Committee finds that the Hawaii Capital Loan Program was established in 1963 to provide loans to small businesses for plant construction or expansion; the purchase of buildings, land, equipment, machinery, supplies, materials, and working capital. Over the forty years of the loan program's existence, it assisted five hundred sixty-one borrowers, and provided financing of over \$96,000,000. Of that \$96,000,000, the loan program disbursed \$48,100,000 and leveraged \$47,900,000 from financial institutions through participation loans. During that forty-year period, only seventy-six loans were written off, for a total of just under \$7,500,000.

Your Committee further finds that in 2003, due to budget concerns, the expenditure ceiling was lowered to preclude making loans, and the Hawaii Capital Loan Revolving Fund was repealed on June 30, 2004.

Your Committee believes the Hawaii Capital Loan Program serves a public purpose by helping small businesses, which are the backbone of Hawaii's economy, access financing that would otherwise not be available. Your Committee also understands that the 2009 budget and personnel cuts left the program underfunded and understaffed, and that approximately \$100,000 for annual salary and operational expenses would be required for the program.

Your Committee further understands that the Hawaii Capital Loan Revolving Fund should be reestablished to ensure that any funds appropriated for the loan program, or received as principal and interest payments on outstanding loans will be used for the purposes of the revolving fund. Requiring principal and interest payments on outstanding loans to be paid into the fund will also help to lower the need for future General Fund appropriations.

Your Committee has amended this measure accordingly, by:

- (1) Reestablishing the Hawaii Capital Loan Revolving Fund, with principal and interest payments on any outstanding loans to be deposited into the fund;
- (2) Authorizing the Department of Business, Economic Development, and Tourism to contract with any financial institution for services including servicing or administering loans;
- (3) Appropriating monies to the Hawaii Capital Loan Revolving Fund for operations of the Hawaii Capital Loan Program; and
- (4) Making amendments to the purpose section to reflect the above changes.

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. 757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 757, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 110 Economic Development and Technology on S.B. No. 755**

The purpose of this measure is to create an annual exemption from the general excise tax on retail sales of certain back-to-school items, including school supplies, computer supplies, and clothing during a five-day period in late July. The intent of this measure is to stimulate Hawaii's economy for residents and retailers alike through this annual tax holiday.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii and Retail Merchants of Hawaii. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that as Hawaii's economy continues its slow recovery, initiatives to increase retail spending, such as a general excise tax holiday on certain items will spark consumer confidence and spending and help local businesses rebuild markets. Other states have found that this type of tax holiday stimulates job creation and a net increase in tax revenues as a result of improved economic activity. An ancillary effect, especially in the retail industry, is an increase in store traffic. This results in greater spending on both exempt and nonexempt items, which in turn generates tax revenues for the State.

Your Committee has amended this measure by:

- (1) Requiring all savings generated to be passed on by the seller to the purchaser without any increase in price;
- (2) Clarifying that the exemption shall not apply to:
  - (A) Rebates, layaway sales, rain checks, or exchanges when the transactions occur before or after the tax holiday period; and
  - (B) Mail, telephone, e-mail, or Internet orders with businesses operating outside the State of Hawaii; 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. 755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 755, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Solomon). Noes, none. Excused, 1 (Slom).

**SCRep. 111 Ways and Means on S.B. No. 20**

The purpose and intent of this measure is to require the Director of Finance to report to the Legislature the projected cost variance and reasons for any material change to an expense, program, project, or capital improvement project for which the Legislature has already appropriated funds.

Your Committee received comments on this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance.

Your Committee finds that requiring the Department of Budget and Finance to report such information will assist the Legislature in its budget deliberation processes, thereby enhancing its ability to exercise its mandated fiscal oversight responsibilities.

Your Committee has amended this measure, as suggested by the Department of Budget and Finance, by:

- (1) Limiting the information that must be reported to the Legislature to a material change in a capital improvement project;
- (2) Amending the definition of "material change" to mean a modification in the scope of work as specified by the project title and description of the capital improvement project appropriation;
- (3) Deleting proposed amendments to section 37-36(b), Hawaii Revised Statutes, relating to notice by the Director of Finance of allotment modifications of an unspecified percentage; and
- (4) Making technical nonsubstantive amendments for the purposes of conformity 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. 20, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 20, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Espero).

**SCRep. 112 Ways and Means on S.B. No. 163**

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

Your Committee received testimony in support of this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance.

Your Committee finds that the declaration of findings in this measure is required by article VII, section 13, of the state constitution to declare that the total amount of general obligation bonds authorized or outstanding will not cause the State's constitutionally-imposed debt limit to be exceeded.

Your Committee has amended this measure by:

- (1) Clarifying the state comptroller's bond fund report by including language relating to appropriations to be funded by general obligation bonds or reimbursable general obligation bonds, as provided in the Judiciary Appropriations Act; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 163, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Espero).

**SCRep. 113      Ways and Means on S.B. No. 1260**

The purpose and intent of this measure is to set forth the State's allocation of any limit on the principal amount of bonds that may be issued by issuers within Hawaii.

Your Committee received testimony in support of this measure from Kalbert K. Young, Interim Director of Finance.

Your Committee finds that this measure enables the State to set a ceiling on the principal amount of bonds that may be issued and authorizes the Department of Budget and Finance, with the approval of the Governor, to allocate or reallocate all or part of the state ceiling to any issuer for a specific calendar year or shorter period.

Your Committee believes that authorizing the Department of Budget and Finance to allocate and as necessary, reallocate bonds and other benefits authorized by federal law will result in greater fiscal flexibility in the use of limited federally authorized financial assistance, thereby enhancing the State's ability to maximize this resource to the greatest extent.

Your Committee has amended this measure by deleting the definitions of "ARRA" and "tax code" and amending the definition of "state ceiling" in the interest of brevity and clarity. Your Committee has also made technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1260, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Espero).

**SCRep. 114      Ways and Means on S.B. No. 1318**

The purpose and intent of this measure is to clarify the current application of the use tax by eliminating overbroad and redundant language in a provision relating to interstate commerce activities.

Your Committee received testimony in support of this measure from Frederick D. Pablo, Interim Director, Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that Act 74, Session Laws of Hawaii 1979, was enacted to prevent the State from taxing stevedoring and other similar activities. Since the enactment of Act 74, however, state tax laws have been amended to expressly exempt the particular stevedoring and other interstate commerce activities originally intended to be exempted pursuant to Act 74, making language in the current use tax law referencing Act 74 redundant and unnecessary.

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. 1318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1318, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Espero).

**SCRep. 115      Ways and Means on S.B. No. 19**

The purpose and intent of this measure is to require the Director of Finance to submit quarterly reports to the legislature that provide an update on the balances of the state treasury and all public accounts therein.

Your Committee received testimony in support of this measure from Kalbert K. Young, Interim Director Department of Budget and Finance.

Your Committee finds that this measure will provide accurate and timely information on state funds to facilitate decision-making and planning for issues under consideration by the Legislature.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 19 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, 13. Noes, none. Excused, 1 (Espero).



**SCRep. 116 Ways and Means on S.B. No. 1271**

The purpose and intent of this measure is to clarify the type of public notice required for reporting the state growth rate and expenditure ceiling and the status of unreleased state grants.

Your Committee received testimony in support of this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance.

Your Committee finds that the development of a more streamlined, cost-effective approach to public reporting of the state growth and expenditure ceiling and the status of unreleased grants would be in the public interest. By authorizing public notice to be posted on the Department of Budget and Finance's internet website, the cost of publishing such public notice would be reduced.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1271 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, 13. Noes, none. Excused, 1 (Espero).

**SCRep. 117 Agriculture on Gov. Msg. No. 504**

Recommending that the Senate advise and consent to the nominations of the following:

CHAIRPERSON OF THE BOARD OF AGRICULTURE

G.M. No. 504 RUSSELL S. KOKUBUN, for a term to expire December 31, 2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Russell S. Kokubun to possess the requisite qualifications to be nominated as Chairperson of the Board of Agriculture.

Your Committee received testimony in support of the nomination of Russell S. Kokubun from Colleen Hanabusa, United States Representative, Hawai'i, First District; the Agribusiness Development Corporation; the Office of Hawaiian Affairs; Robert K. Lindsey, Jr., Trustee, Office of Hawaiian Affairs; Sylvia Yuen, Interim Dean and Director, University of Hawaii College of Tropical Agriculture and Human Resources; the University of Hawaii College of Social Sciences Public Policy Center; the Maui County Farm Bureau; the Hawaii Pest Control Association; Hawaii Oceanic Technology, Inc.; Monsanto Research and Operations - Hawaii; the Hawaii Aquaculture and Aquaponics Association; the Kauai Cattlemen's Association; the Keaukaha Pana'ewa Farmers Association; W.H. Shipman, Limited; the East Kauai Water Users' Cooperative; The Nature Conservancy; Hawaii Fish Company, Inc.; the Hawaii Agriculture Research Center; Nalo Farms, Inc.; Kaupo Ranch Ltd.; Maui Cattle Company; McCandless Ranch; the Aha Kiole Advisory Committee; Meadow Gold Dairies; Joy Gold Unlimited; the Hawaii Floriculture and Nursery Association; Aquaculture Planning & Advocacy LLC; Maui Cattlemen's Association; The Gas Company; Kahuku Farmers, Inc.; Matsuda Fukuyama Farms; the Coordinating Group on Alien Pest Species; the Ka'u Farm Bureau; Armstrong Produce; Mikilua Poultry Farm, Inc.; the Hawaii Farm Bureau Federation; Alexander & Baldwin, Inc.; the Hawaii Cattlemen's Council, Inc.; Pioneer Hi-Bred International, Inc.; the Big Island Farm Bureau; Alumside Products, Inc.; Castle & Cooke Hawai'i; the Waimea Hawaiian Homesteaders' Association, Inc.; ILWU Local 142; the Hawaii Crop Improvement Association; the Kauai County Farm Bureau; the East Oahu County Farm Bureau; Brainstorm Marketing, Inc.; The Trust for Public Lands Hawai'i; the International Union of Painters and Allied Trades, District Council 50; G.A. Morris, Inc.; Syngenta Hawaii, LLC; Poamoho Organic Produce; and thirty individuals.

Mr. Kokubun grew up in Kaimuki and gained an early appreciation for agriculture by working in his family's extensive garden. Soon after graduating from college, Mr. Kokubun began working as a farm laborer on the Island of Hawaii. In 1978, he purchased a vegetable farm, which he still owns today.

Mr. Kokubun most recently served as the Senator for the 2nd Senatorial District representing the areas of Ka'u, Puna, and Hilo on the Island of Hawaii. While a Senator, Mr. Kokubun served as a member of the Senate Committees on Energy and Environment; Higher Education; Water, Land, Agriculture, and Hawaiian Affairs; and Ways and Means. Mr. Kokubun also served as the Chair of the Hawai'i 2050 Sustainability Task Force, which was responsible, in part, for defining state goals, objectives, policies, and priority guidelines to aid in the long-term development of the State.

While Mr. Kokubun has served the public in elective office over the years, he has demonstrated a keen awareness of the many complex issues and challenges facing the agriculture industry and farmers in Hawaii. Specifically, Mr. Kokubun played a key role as an elected official in addressing issues related to water use, zoning of land, and food security which were critical to resolving many concerns for farmers and the agricultural industry in Hawaii. Your Committee has no reservations that Mr. Kokubun will use the broad experience and administrative skills he has gained throughout his years of public service to successfully guide the Department of Agriculture through Hawaii's most pressing issues on agriculture and farming.

Your Committee finds that as a farmer, Mr. Kokubun is aware of the current needs and challenges facing the agricultural community in Hawaii. Based on his experience as the Chair of the Senate Committee on Water, Land, Agriculture, and Hawaiian Affairs as well as Chair of the Hawai'i 2050 Sustainability Task Force, Mr. Kokubun is well prepared for the responsibilities of heading the Department of Agriculture. All of Mr. Kokubun's experiences have contributed to his expansive view of agriculture and the issues that surround it.

Mr. Kokubun's overall vision for the Department of Agriculture includes reestablishing the importance of agriculture in the State. In addressing your Committee, Mr. Kokubun shared his plans to focus on food and energy sustainability and security; the identification and designation of important agricultural lands; and the restoration, maintenance, and improvement of agricultural infrastructure in the State. Mr. Kokubun also reported to your Committee that one of his initial goals as Chairperson will be to boost the morale of his dedicated staff, which has been hit hard by state budget cuts.

Your Committee finds that Mr. Kokubun has been a tireless advocate for agriculture and sustainability. Mr. Kokubun is a natural and respected leader whose collaborative skills and innovative ideas will be a positive force within the Department of Agriculture.

As affirmed by the record of votes of the members of your Committee on Agriculture 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, 2 (Chun Oakland, Dela Cruz).

**SCRep. 118 (Majority) Economic Development and Technology on S.B. No. 333**

The purpose and intent of this measure is to amend the law relating to historic preservation in Hawaii.

Your Committee has amended this measure by deleting its contents and replacing it with language to:

- (1) Require one per cent of all state fund appropriations designated for the construction and renovation of state buildings to be deposited into the Hawaii Historic Preservation Special Fund;
- (2) Add to the uses of the fund the costs related to site modifications, display, interpretive work, and specific preventive maintenance and repairs necessary to enhance the visitor experience for the Bernice Pauahi Bishop Museum, Iolani Palace, and Washington Place; and
- (4) Require reports to the Governor and Legislature.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public view.

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. 333, as amended herein, and recommends that it be recommitted to the Committee on Economic Development and Technology, in the form attached hereto as S.B. No. 333, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Wakai).

**SCRep. 119 Energy and Environment on S.B. No. 704**

The purpose and intent of this measure is to exempt third party owners and operators of solar energy facilities and equipment located on a customer's property from the definition of public utility thereby simplifying the processes by which solar energy can be used by the customer and sold to the utility.

Your Committee received testimony in support of this measure from Mark Duda, Hawaii Solar Energy Association; The Solar Alliance; Warren Bollmeier, Hawaii Renewable Energy Alliance; and Sanjay Ranchod, SolarCity. Your Committee received comments on this measure from Carlito P. Caliboso, Public Utilities Commission.

Your Committee finds that the exemption from regulation as a public utility under this measure will promote the use of solar energy by more Hawaii residents and lessen Hawaii's overall dependence on fossil fuels.

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. 704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 704, 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 (Ihara).

**SCRep. 120 (Majority) Energy and Environment on S.B. No. 703**

The purpose and intent of this measure is to direct the Public Utilities Commission to adopt rules and issue orders to establish a limited government wheeling market where independent renewable energy producers located on public lands may sell electricity to governmental entities located on the same island.

Your Committee received testimony in support of this measure from Mark Duda, Hawaii Solar Energy Association; Warren Bollmeier, Hawaii Renewable Energy Alliance; and Jeff Mikulina, Blue Planet Foundation. Your Committee received testimony in opposition to this measure from Carlito P. Caliboso, Public Utilities Commission; and Kevin Katsura, Hawaiian Electric Company, Inc. Your Committee received comments on this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; and Jeffrey T. Ono, Department of Commerce and Consumer Affairs.

Your Committee understands the need to reduce Hawaii's overall dependence on fossil fuels. Your Committee believes that facilitating the use of renewable energy by government entities, including a limited wheeling market for independent renewable energy producers to supply those entities, works toward that purpose.

In order to assure that the intent of this measure is effectuated, your Committee has amended this measure by inserting the phrase "generated from renewable sources" after the word "electricity", where appropriate.

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. 703, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 703, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 121 (Majority) Energy and Environment on S.B. No. 188**

The purpose and intent of this measure is to restrict any new construction or expansion of fossil fueled electricity generating facilities unless the electric utility can demonstrate compliance with the State's renewable portfolio standards.

Your Committee received testimony in support of this measure from Carlito P. Caliboso, Public Utilities Commission; Jeff Mikulina, Blue Planet Foundation; and the Sierra Club, Hawai'i Chapter. Your Committee received testimony in opposition to this measure from Catherine Awakuni, Hawaiian Electric Company, Inc.; Cecily Barnes, Hawaiian Electric Company, Inc.; and Rick Tsujimura, AES Hawaii. Your Committee received comments on this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; and Paul Oshiro, Alexander & Baldwin, Inc.

Your Committee believes that encouraging the electric utilities to discontinue the construction of new fossil fuel burning facilities will lead to reduced dependence on fossil fuels and strengthen the State's resolve to use more renewable energy. Your Committee recognizes that facilities which currently generate energy through fossil fuels can be expanded for other purposes such as biofuel energy generation.

Accordingly, your Committee has amended this measure by clarifying that the type of expanded generating capacity that shall not be permitted under this measure is an expansion in fossil fuel generating capacity.

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. 188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 188, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 122 Energy and Environment on S.B. No. 107**

The purpose and intent of this measure is to propose an amendment to article XI, section 9, of the Constitution of the State of Hawaii to reaffirm and strengthen the State's commitment to environmental justice and fair treatment for certain populations that are disproportionately impacted by harmful environmental actions.

Your Committee received testimony in support of this measure from T. George Paris, Iron Workers Stabilization Fund; Deja Marie Ostrowski; and Laurie Lawrence. Your Committee received testimony in opposition to this measure from Carrie K.S. Okinaga, City and County of Honolulu; and Laurence K. Lau.

Your Committee finds that significant environmental and health concerns have arisen from breaches at landfills, including the release of medical waste and construction debris into the environment, and that many of the effects of these disasters and others like them fall disproportionately on the least privileged citizens of our State. This measure is necessary to provide some legal recourse to those who have been harmed in this way.

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. 107 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Ihara). Noes, none. Excused, 2 (English, Slom).

**SCRep. 123 Energy and Environment on S.B. No. 723**

The purpose and intent of this measure is to extend from July 1, 2011, to July 1, 2015, the sunset date of Act 87, Session Laws of Hawaii 2009, which exempts from the State's environmental impact statement law certain projects that are not subject to discretionary consent but involve ancillary actions connecting to infrastructure on public rights-of-way.

Your Committee received testimony in support of this measure from the Department of Transportation; Loretta J. Fuddy, Department of Health; James K. Mee, National Association of Industrial and Office Properties; The Chamber of Commerce of Hawaii; Attilio Leonardi, Jr., Kapolei Chamber of Commerce; Karen Nakamura, Building Industry Association of Hawaii; Myoung Oh, Hawai'i Association of Realtors; David Arakawa, Land Use Research Foundation of Hawaii; and Rouen Liu, Hawaiian Electric Company, Inc. Your Committee received testimony in opposition to this measure from Denise Antolini.

Your Committee finds that many improvements which require only ministerial, non-discretionary permitting involve secondary actions to connect to infrastructure in public rights-of-way and that this measure is necessary for such projects to avoid the long and costly environmental review process that would otherwise be mandated and in many cases discourage these improvements and their consequent economic benefits.

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. 723 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Green). Noes, none. Excused, 2 (English, Slom).

**SCRep. 124 Energy and Environment on S.B. No. 153**

The purpose and intent of this measure is to raise the income tax credit for wind-powered energy systems to be on par with the credit for solar energy systems.

Your Committee received testimony in support of this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism. Your Committee received comments on this measure from Frederick D. Pablo, Department of Taxation; Tax Foundation of Hawaii; and Warren Bollmeier, Hawaii Renewable Energy Alliance.

Your Committee believes that providing the same incentives to implement wind energy technology as are provided for implementing solar energy technology will lead to greater overall use of renewable energy and reduce the State's dependence on fossil fuels.

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. 153 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Slom).

**SCRep. 125 Energy and Environment on S.B. No. 1479**

The purpose and intent of this measure is to provide an income tax credit to qualified taxpayers that provides an incentive for the installation of clean energy storage systems to address the issue of intermittency raised by the use of solar and wind energy and to help provide an increasing amount of clean energy storage on Hawaii's electric grids.

Your Committee received testimony in support of this measure from Jeff Mikulina, Blue Planet Foundation; Brian Bell; Michael Reed Gach; and Pualani Ramos. Your Committee received comments on this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; Frederick D. Pablo, Department of Taxation; and the Tax Foundation of Hawaii.

Your Committee finds that to make full use of Hawaii's wind and solar energy resources the ability to store energy is necessary and that energy storage, whether through batteries, ultra-capacitors, or some other technology, will be integral to the State of Hawaii meeting its renewable portfolio standards in the future. Your Committee finds that the tax credit in this measure will make a critical difference in the adoption rate of clean energy storage technology.

Your Committee recognizes that the definition of a clean energy storage system needs to be specific enough that the tax credit is applied to the type of system that will assist in achieving this measure's intent of providing an increasing amount of clean energy storage on Hawaii's electric grids and that it is applied to storage systems used primarily to reduce peak energy requirements on the site where the storage is located.

Accordingly, your Committee has amended this measure by;

- (1) Expanding on the definition of "clean energy storage system" to specify that a qualifying system must be able to store and provide output for a certain amount of clean energy and to have a certain rate of roundtrip energy storage efficiency, as well as provide supplemental energy primarily on the site where the clean energy is stored; and
- (2) Changing the effective date to upon approval and making the measure applicable to taxable years beginning after December 31, 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. 1479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1479, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 126 Energy and Environment on S.B. No. 1476**

The purpose and intent of this measure is to issue special purpose revenue bonds to assist BioEnergy Hawaii, LLC, establish a cogeneration facility and related energy production facilities for electrical output or biofuels energy, or both.

Your Committee received testimony in support of this measure from Al Lardizabal, Hawaii Laborers' Union; Dante Carpenter, Pacific Waste, Inc.; and Guy Kaniho, BioEnergy Hawaii, LLC. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that it is in the public interest to encourage the development of cogeneration facilities that make energy available to members of the public by the sale of electricity or biofuels, or both, to an electric utility or refinery, or both, that serves the area in which the facility is located. Your Committee recognizes that under the Internal Revenue Code there is a limitation on the amount of tax-exempt financing for industrial projects and that BioEnergy Hawaii, LLC, may have to consult with a bond counsel firm to determine if the project may qualify for the full amount of tax-exempt financing.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1476, 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. 127 Energy and Environment on S.B. No. 1244**

The purpose and intent of this measure is to modify the renewable energy facility siting process by reducing the capacity required for a biofuel production facility to qualify for the renewable energy siting process and by including biofuel distribution infrastructure among the types of facilities that qualify.

Your Committee received testimony in support of this measure from Richard Lim, Department of Business, Economic Development, and Tourism; and Joel K. Matsunaga, Hawaii BioEnergy, LLC.

Your Committee recognizes that small scale and biofuel pilot projects are precursors to the large scale commercial projects that are necessary to reduce the State's dependence on fossil fuels and that these smaller projects should receive the expedited permitting currently allowed for their larger counterparts.

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. 1244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1244, 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 (Ihara).

**SCRep. 128 (Joint) Energy and Environment and Education on S.B. No. 1197**

The purpose and intent of this measure is to require the incorporation of alternative energy designs into the construction of, and major renovations to, schools and state facilities for which planning begins on or after July 1, 2011, so that the State may become more energy efficient.

Your Committees received testimony in support of this measure from Christy Imata, Hawaii Solar Energy Association. Your Committees received testimony in opposition to this measure from Bruce Coppa, Department of Accounting and General Services. Your Committees received comments on this measure from Kathryn Matayoshi, Department of Education; and Richard C. Lim, Department of Business, Economic Development, and Tourism.

Your Committees find that increasing the use of alternative energy designs in state facilities will create energy efficiency and lead to savings in the long term. However, your Committees recognize that it may not be feasible for all new construction and renovation to meet a goal of having ten percent of energy derived from alternative sources, nor to meet this goal by this year.

Accordingly, your Committees have amended this measure by:

- (1) Providing that the state departments that are responsible for the design and construction of public buildings and facilities, including schools, shall implement the energy saving designs described in this measure to the fullest extent possible for projects that begin on or after July 1, 2013, rather than on July 1, 2011;
- (2) Deleting the provision requiring that alternative energy use in the newly constructed or renovated state facilities or buildings subject to this measure shall generate a minimum of ten percent of the building's total energy consumption; and
- (3) Making a technical, nonsubstantive amendment 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 Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1197, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1197, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (English, Green, Taniguchi).

**SCRep. 129 Energy and Environment on S.B. No. 745**

The purpose and intent of this measure is to allow seawater air conditioning district cooling projects to receive Enterprise Zone Program benefits.

Your Committee received testimony in support of this measure from Frederic Berg, Honolulu Seawater Air Conditioning, LLC; and Thomas J. Smyth. Your Committee received comments on this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; and Frederick D. Pablo, Department of Taxation.

Your Committee believes that granting Enterprise Zone Program benefits to seawater air conditioning district cooling projects will reduce their overall costs, expedite their completion, and expedite the realization of the benefits of reduced costs and energy usage by the State.

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. 745, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 745, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 130 Energy and Environment on S.B. No. 725**

The purpose and intent of this measure is to apply the solid waste disposal surcharge to waste that is deposited in landfills, incinerators, or waste-to-energy facilities, whether the waste is disposed of in-state or transferred out-of-state.

Your Committee received testimony in support of this measure from Loretta J. Fuddy, Department of Health.

Your Committee finds that the changing waste management field includes waste-to-energy facilities that are proposing new technologies to which the current solid waste disposal surcharge would not apply and waste that is shipped out-of-state to which the current surcharge would not apply even though the Department of Health still must process the permits. This measure is necessary to maintain sustainable funding levels for the State's solid waste program.

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. 725, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 725, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Slom).

**SCRep. 131 (Joint/Majority) Energy and Environment and Agriculture on S.B. No. 722**

The purpose of this measure is to redistribute the portion of the State Environmental Response, Energy, and Food Security Tax that is currently going to the General Fund to the Energy Security Special Fund and the Agricultural Development and Food Security Special Fund. The intent of this measure is to align the use of that tax revenue with the original intended use of that revenue for energy self-sufficiency and sustainable agriculture, thereby increasing Hawaii's energy and food security.

Your Committees received testimony in support of this measure from Richard Lim, Department of Business, Economic Development, and Tourism; Richard Rocheleau, University of Hawaii System; Mark Fox, The Nature Conservancy; Robert D. Harris, Sierra Club, Hawai'i Chapter; Warren Bollmeier, Hawaii Renewable Energy Alliance; Christy Imata, Hawaii Solar Energy Association; Hawaii Farm Bureau Federation; Shannon Wood, Windward Ahupua'a Alliance; Blue Planet Foundation; Kekoa Kaluhiwa, First Wind; Alexander Tiller, Elemental Energy, LLC dba Sunetric; Mary & David Barter; David Atkin; and Amy K. Brinker. Your Committees received comments on this measure from Russell S. Kokubun, Department of Agriculture; and Tax Foundation of Hawaii.

Your Committees believe that the original intention of using the barrel tax revenues for energy self-sufficiency and sustainable agriculture should be effectuated and that doing so will increase Hawaii's energy and food security. Your Committees also believe that climate change is a factor that will eventually affect the State's energy and food security.

Accordingly, your Committees have amended this measure by:

- (1) Changing the amount to be deposited into the Energy Security Special Fund from 45 cents to 44 cents;
- (2) Changing the amount to be deposited into the Agricultural Development and Food Security Special Fund from 45 cents to 44 cents; and
- (3) Requiring that 2 cents of the Environmental Response, Energy, and Food Security Tax on each barrel be deposited into a special account of the General Fund to be expended by the Office of Planning for the operations of the Climate Change Task Force established by Act 20, Special Session Laws of Hawaii 2009.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 722, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 722, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9; Ayes with Reservations (Tokuda, Wakai). Noes, 1 (Slom). Excused, 3 (Dela Cruz, English, Ihara).

**SCRep. 132 Energy and Environment on S.B. No. 699**

The purpose and intent of this measure is to establish filing fees for environmental review documents to help fund the operations of the Office of Environmental Quality Control and to set up a special fund for the Office with the fees.

Your Committee received testimony in support of this measure from David Lane Henkin, Earthjustice; Sierra Club, Hawai'i Chapter; and Denise Antolini. Your Committee received testimony in opposition to this measure from David Arakawa, Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from Loretta J. Fuddy, Department of Health; William T. Aila, Jr., Department of Land and Natural Resources; and Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that the Office of Environmental Quality Control is critically underfunded and that this measure is necessary for the Office to modernize and to fulfill its duties of overseeing the State's environmental review process.

Your Committee has amended this measure by:

- (1) Replacing the phrase “environmental impact statement publication notice” with the phrase “environmental impact statement preparation notice” for accuracy; 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 699, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Slom).

**SCRep. 133 Energy and Environment on S.B. No. 189**

The purpose and intent 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 shall not fall below the pre-performance contract budget.

Your Committee received testimony in support of this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; Bruce A. Coppa, Department of Accounting and General Services; and Jay Johnson, Noresco. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that allowing state agencies to keep their pre-performance contract budget appropriations will create an additional incentive to the agencies to continuing energy conservation in their facilities, thereby reducing the State’s overall energy consumption.

As a related matter, your Committee received testimony indicating ambiguity in existing law regarding the duration of energy performance contracts. Your Committee finds that requiring contract terms to begin upon completion of the construction or installation of energy conservation features, rather than upon execution of the contract, would allow state agencies to obtain additional energy solutions over a longer period of time.

Accordingly, your Committee has amended this measure by clarifying that the term of an energy performance contract begins upon the completion of construction.

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. 189, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 189, 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 (Ihara).

**SCRep. 134 Hawaiian Affairs on S.B. No. 1130**

The purpose of this measure is to require that all letterheads, documents, symbols, and emblems of the State and other political subdivision include both state languages – English and Hawaiian – and to establish references for accurate, appropriate, and authentic Hawaiian names and words, spelling, and punctuation. The intent of this measure is to ensure the preservation of the Hawaiian language and culture.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, the Senator representing the 6th Senatorial District, the Association of Hawaiian Civic Clubs, and two individuals. Your Committee received testimony in opposition to this measure from the Mayor of the City and County of Honolulu and two individuals.

Your Committee finds that ten years ago, the federal government enacted the Hawaiian National Park Language Correction Act of 2000, which changed the names of several Hawai’i national parks to observe the correct Hawaiian spelling. Before the banning of the Hawaiian language from schools and government in 1898, it was common to see documents written in Hawaiian. Given that English and Hawaiian are the official languages of the State of Hawai’i, it is only fitting to include the Hawaiian language in official government documents.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 1 (Hee).

**SCRep. 135 Hawaiian Affairs on S.B. No. 1290**

The purpose of this measure is to increase the limit the Department of Hawaiian Home Lands is currently authorized to borrow or guarantee on loans from \$50,000,000 to \$100,000,000 in order to cover the Department’s guarantee requirements for its housing program. The intent of this measure is to enhance the Department’s ability to deliver homesteads and home ownership opportunities to beneficiaries, which is directly tied to its ability to guarantee mortgage loans.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands and the Department of Budget and Finance.

Your Committee finds that since Hawaiian homelands are inalienable, the Department is required to guarantee mortgage loans made for homes located on Hawaiian homelands when lenders do not have a loan assurance program. Current loan guarantees are

approximately \$30,000,000, with an additional \$16,800,000 in loans to be closed over the next six months, bringing the total very close to the current \$50,000,000 ceiling.

Your Committee understands that as part of its housing strategy, the Department has partnered with local lenders on loan programs with complementing mortgage insurance to minimize the Department's guarantee obligations. However, there are still loan programs that serve specific income level families, such as the United States Department of Agriculture Rural Development loans, county programs, and Habitat for Humanity, which will be hampered without the increase in the \$50,000,000 ceiling. The increase will also allow more construction of affordable units and benefit Hawaii's construction industry and local economy.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1290 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 1 (Hee).

**SCRep. 136 Hawaiian Affairs on S.B. No. 878**

The purpose and intent of this measure is to recognize the importance of the Hawaiian hoary bat to the State of Hawaii by establishing and designating the Hawaiian hoary bat as the official state land mammal.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Audubon Society, and five individuals.

Your Committee finds that the Hawaiian hoary bat is the only terrestrial mammal native to Hawaii. Despite the Hawaiian hoary bat's significance, relatively little research has been conducted on it, and information regarding its habitat and population status is very limited. Designating the Hawaiian hoary bat as the official state land mammal will raise public awareness and focus attention on the importance of recognizing and protecting one of Hawaii's fragile natural resources.

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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 878, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 1 (Hee).

**SCRep. 137 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 92**

The purpose and intent of this measure is to facilitate dispute resolution for matters involving condominium associations by mandating mediation for certain disputes arising between condominium owners and condominium associations and repealing the existing process that allows for mediation, arbitration, administrative hearing, and litigation to resolve certain condominium disputes.

Your Committees received testimony in support of this measure from the Hawaii Chapter of the Community Associations Institute, Hawaii First, Hawaii Council of Associations of Apartment Owners, Pearl Regency Home Owners Association, Certified Management, Mililani Town Association, Wailuna AOA, Ke Noho Kai Community Association, and twenty private individuals. Your Committees received testimony in opposition to this measure from one private individual. Your Committees received comments on this measure from the Real Estate Commission.

Your Committees find that mediation is frequently the most appropriate means of resolving disputes between parties where it is important to preserve an on-going relationship after the dispute is over, such as in the case of condominium owners and condominium associations. Your Committees note that under current law, the condo court system created by section 514B-161, Hawaii Revised Statutes, includes a mediation component that constitutes the first step in a dispute resolution process that also includes a choice between binding arbitration or an administrative hearing with the right of judicial appeal. Your Committees also find that these subsequent avenues of relief are important mechanisms for avoiding a costly court process in many disputes and, therefore, should be preserved.

Your Committees have amended this measure by:

- (1) Clarifying that the remedies available under section 514B-146(d) remain available for disputes relating to the collection of assessments;
- (2) Deleting references to requirements for standards of participation in mediation;
- (3) Deleting the requirement that mediation take place with an entity that contracts with the Real Estate Commission;
- (4) Deleting amendments to the Condominium Education Trust Fund;
- (5) Preserving provisions that authorize arbitration, administrative hearing, and judicial appeal in the event that mediation is unsuccessful;
- (6) Deferring its effective date to July 1, 2112, for the purposes of facilitating further discussion on this measure; and
- (7) 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 Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 92, as amended herein,



and recommend that it pass Second Reading in the form attached hereto as S.B. No. 92, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 138 Commerce and Consumer Protection on S.B. No. 39**

The purpose and intent of this measure is to ensure that all members of a planned community association are able to receive notice of meetings of the association or its board of directors.

Your Committee received testimony in support of this measure from two private individuals. Your Committee received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii, Hawaii First, Hawaii Chapter – Community Associations Institute, Haiku Plantations Association, Mililani Town Association, the Villages of Kapolei Association, Ewa by Gentry Community Association, HKP AOA, Certified Management, Palehua Community Association, Ke Noho Kai Community Association, Wailuna AOA, Pearl Regency Home Owners Association, and twenty-three private individuals. Your Committee received comments on this measure from Wailea Community Association.

Your Committee finds that this measure increases transparency and encourages homeowner participation in the governance of planned community associations. Your Committee notes the concerns of some homeowners and associations that this measure will increase the cost of providing notice due to postage costs. However, your Committee also notes that the allowable options for giving notice to homeowners include email notification and website posting: two methods that are virtually free of charge and convenient for homeowners. Your Committee further finds that the inclusion of electronic notification options in this measure make compliance with its requirements an insignificant burden for planned community associations.

Your Committee has amended this measure by:

- (1) Clarifying that notice of meetings may be provided through posting on a portion of the association's website that is accessible to all of its members; and
- (2) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 39, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 39, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 139 Commerce and Consumer Protection on S.B. No. 1231**

The purpose and intent of this measure is to enable the Department of the Attorney General to enforce federal anti-trust laws through private action regardless of a governmental entity's status as an indirect purchaser.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that, under federal law, the main enforcement mechanism for federal anti-trust statutes is the right of private action for recovery on behalf of an injured person. In the case of a government entity that has been subject to an anti-trust violation in government purchasing, the injury ultimately devolves to the taxpayers. Your Committee further finds that judicial precedent has prevented other government entities from succeeding in anti-trust actions prosecuted on behalf of the public where the State is an indirect purchaser of goods or services subject to price fixing or other prohibited conduct. In these cases, unless applicable state law expressly grants the government entity the right to pursue an anti-trust lawsuit as an indirect purchaser, courts have barred recovery for the entity, and by extension the taxpayers. Your Committee also finds that this measure remedies a current deficiency in Hawaii law that prevents government entities from pursuing all available remedies for anti-trust violations.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1231, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 140 Commerce and Consumer Protection on S.B. No. 105**

The purpose and intent of this measure is to enable an owner of real property within this State to pass on the property simply and directly to a beneficiary upon the property owner's death without the need for a probate process.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation and one private individual.

Your Committee finds that under current law, there is no simple and straightforward means of passing on real property from a decedent to a beneficiary, even though real property is often an individual's most important or only asset. In contrast, there are existing simple methods of passing on personal property of similar value such as life insurance, pension plans, securities, or banked assets. Your Committee further finds that a transfer on death deed for real property as contained in this measure offers individuals a means of distributing real property to surviving family or loved ones without a lengthy and complicated probate process and without

unintended adverse effects, such as complications of Medicaid eligibility, for either the grantor or the beneficiary. Finally, your Committee notes that this measure is based on a uniform model act that has been adopted by thirteen states to date.

Your Committee has amended this measure by:

- (1) Replacing language regarding liability for creditor claims and statutory allowances with alternate language from the model act upon which this measure is based to better conform to existing state law; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 105, 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. 141 Commerce and Consumer Protection on S.B. No. 1301**

The purpose and intent of this measure is to harmonize state laws prohibiting housing discrimination with controlling federal law.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission. Your Committee received comments on this measure from the Hawai'i Association of Realtors.

Your Committee finds that this measure clarifies existing Hawaii law that broadly prohibits discrimination in housing transactions but allows exemptions from certain requirements for close living situations where an owner or primary lessor shares living space in a private residence with a lessee or sublessee. Your Committee further finds that this measure harmonizes Hawaii law with the controlling federal law on this subject and thereby simplifies enforcement for regulatory bodies.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1301, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 142 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 144**

The purpose and intent of this measure is to provide grant-in-aid funding to each county for agricultural drought mitigation plans, measures, and projects.

Your Committees received testimony in support of this measure from one state department and three private entities. Testimony in opposition to this measure was received from one state department.

Your Committees find that a viable agriculture industry requires a steady, reliable supply of water. However, drought conditions continue to adversely affect local farms and ranches, hampering their ability to produce quality products on a consistent basis throughout the year. To address the harmful impact of droughts, mitigation measures in the Hawaii Drought Plan must be implemented. The goal of the Hawaii Drought Plan is to develop coordinated emergency response mechanisms and to outline steps toward mitigating the effects of future droughts. Your Committees further find that to adequately implement the Hawaii Drought Plan, sufficient funding for the counties is necessary to address the many challenges that our agriculture industry faces in preparing for droughts.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 144 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Baker, Fukunaga, Tokuda).

**SCRep. 143 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 696**

The purpose and intent of this measure is to establish the County Infrastructure Development Loan Revolving Fund to provide loans to the counties for infrastructure improvements that support transit-oriented affordable housing development.

Your Committees received testimony in support of this measure from one state department, one county department, and one private entity.

Under this measure, the County Infrastructure Development Loan Revolving Fund will provide no-interest loans to the counties for the pre-development, development, or construction of infrastructure projects to expedite the building of transit-oriented affordable housing development. Permitted uses of the monies in the fund may include planning, design, land acquisition, costs of options, agreements of sale, or other infrastructure-related services or activities.

Your Committees find that rapid transit supports compact development and, at the same time, becomes an incentive for compact development near transit stations. However, transit-oriented development frequently requires upgrades to the capacities of existing

infrastructure while the counties are constantly challenged to maintain even the infrastructure systems they already have, let alone to upgrade these systems. Your Committees recognize that the State has a role in supporting transit-oriented development and further recognize the need to support the counties by providing another financing resource.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 696 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Baker, Fukunaga, Tokuda).

**SCRep. 144 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 582**

The purpose and intent of this measure is to establish:

- (1) Procedures for an inter-county mutual aid sharing of potable and non-potable water in times of emergency; and
- (2) The Hawaii Statewide Mutual Aid System in times of a homeland security activity or activities in response to a disaster.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that in times of emergency, any county in the State may be vulnerable to shortages of potable and non-potable water. As an island state, every county in Hawaii is geographically isolated from each of the other counties. As the most important resource to sustain life is water, your Committees further find that each county should be able to depend on another county as a source of water during times of emergency when the lack of water in sufficient quantity threatens the public health and welfare.

Your Committees also find that in times of disaster, the counties should render mutual aid to one another pursuant to a written mutual aid agreement executed among each of the counties at the discretion of a particular county. The response effort to provide mutual aid is in accordance with the National Incident Management System guidelines of the Federal Emergency Management Agency, United States Department of Homeland Security, and includes sharing of personnel, equipment, and resources and medical and fire fighting services.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 582, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 582, 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 (Baker, Fukunaga, Tokuda).

**SCRep. 145 Health on S.B. No. 218**

The purpose and intent of this measure is to require hospitals to provide survivors of sexual assault with medically and factually accurate, unbiased information regarding emergency contraception in order to provide safe and effective means of preventing pregnancy after a sexual assault to those who wish to use such medications.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Hawai'i State Democratic Women's Caucus; Hawaii State Coalition Against Domestic Violence; the Women's Coalition; The Sex Abuse Treatment Center; Planned Parenthood of Hawaii; The League of Women Voters of Honolulu; the American Civil Liberties Union of Hawai'i; Papa Ola Lokahi; Healthy Mothers Healthy Babies Coalition of Hawai'i, and five private citizens. Your Committee received testimony in opposition to this measure from the Department of Health; St. Francis Health System of Hawaii; and Pro-Family Hawaii.

Your Committee finds that Hawaii hospitals lack standardized policies on this issue and a legislative response is needed to provide sexual assault victims with a choice regarding pregnancy prevention.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 218 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Shimabukuro, Wakai, Slom).

**SCRep. 146 Health on S.B. No. 279**

The purpose of this measure is to clarify the workers' compensation law to authorize the physician or surgeon treating an injured employee to 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, all of which shall not be subject to contest by an insurer or employer. The intent of this measure is to help streamline a patient's quality of care.

Your Committee received testimony in support of this measure from Puna Community Medical Center. Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council. Your Committee received comments on this measure from the Department of Labor and Industrial Relations.

Your Committee finds that, based on testimony received, additional discussion is necessary to facilitate the intent of this measure.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to facilitate further discussion on the merits 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. 279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 279, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 147 (Majority) Health on S.B. No. 174**

The purpose and intent of this measure is to remove marijuana and tetrahydrocannabinols from the schedule I controlled substances list and places them in the more appropriate schedule III controlled substances list in order to promote statutory consistency regarding the State's classification and treatment of marijuana.

Your Committee received testimony in support of this measure from the Drug Policy Forum of Hawai'i; Democratic Party of Hawai'i; the Natural Cancer Wellness Foundation; Americans for Safe Access, Big Island Chapter; Friends 4 Justice; and twenty-eight private citizens. Your Committee received testimony in opposition to this measure from the Department of Public Safety; the Department of the Prosecuting Attorney, City and County of Honolulu; the Police Department, City and County of Honolulu; the Police Department, County of Maui; the Police Department, County of Hawai'i; the Police Department, County of Kauai; the Kona Crime Prevention Committee, Legislative Committee; and three private citizens.

Your Committee finds that Schedule II controlled substances currently include heroin and opiates like oxycodone, methadone, tapentadol, fentanyl, and amphetamine and methamphetamine, all of which have been linked to deaths by overdoses. In contrast, marijuana has not been linked to overdose deaths and therefore may be more appropriately classified as a schedule III controlled substance.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion of this measure; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 174, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Green, Nishihara). Noes, 1 (Chun Oakland). Excused, 3 (Shimabukuro, Wakai, Slom).

**SCRep. 148 Health on S.B. No. 420**

The purpose and intent of this measure is to appropriate funds to the Department of Health and the Department of Human Services to expand certain direct health care services to qualified individuals and to finance projects at designated health centers throughout the State to assist federally qualified health centers provide timely, effective direct care that reduces unnecessary emergency room visits.

Your Committee received testimony in support of this measure from Hawai'i Primary Care Association, Ho'ola Lahui Hawai'i, and Papa Ola Lokahi. Your Committee received testimony in opposition to this measure from the Department of Health. Your Committee received comments from the Department of Human Services.

Your Committee finds that federally qualified health centers are a smart investment that results in healthier communities while saving the State money. Your Committee further finds that, in these troubled economic times, these health centers provide low cost alternatives to high cost emergency room visits. Testimony received by your Committee suggested that the measure be amended to clarify that the funds appropriated should only be used for the provision of direct health care services provided at federally qualified health centers in order to ensure that these valuable health centers receive the full benefit of the appropriation. Your Committee concurs with the recommendation received through testimony to include an additional appropriation to provide much needed exam room renovations at the Pahoehoe Family Health Center.

Your Committee has amended this measure by:

- (1) Clarifying that the funds appropriated under section 3 of this measure are for the provision of direct health care services for uninsured individuals at federally qualified health centers; and
- (2) Appropriating \$800,000 for exam room renovations at the Pahoehoe Family Health Center on the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 420, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 420, S.D. 2, 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 (Shimabukuro, Wakai, Slom).

**SCRep. 149 Health on S.B. No. 233**

The purpose and intent of this measure is to impose an excise tax on tobacco products other than cigarettes, little cigars, and large cigars that is equivalent to the tax imposed on a standard package of twenty cigarettes or little cigars to impose additional deterrents to smoking.

Your Committee received testimony in support of this measure from the American Cancer Society Hawai'i Pacific, Inc.; Coalition for A Tobacco-Free Hawai'i; American Heart Association; the Hawaii COPD Coalition; Filipinos for Affirmative Action; Filipino American Citizens League; Tobacco Education and Assistance Program; Asian American Network for Cancer Awareness, Research and Training; Oahu Filipino Community Council; and thirty-six private citizens. Your Committee received testimony in opposition to this measure from one private citizen. Your Committee received comments on this measure from the Department of Taxation, University of Hawai'i System, and Tax Foundation of Hawaii.

Your Committee received testimony stating that, because adolescents and young adults are two to three times more sensitive to tobacco price changes than adults, increasing the price of smokeless tobacco will result in fewer youth using smokeless tobacco. Other testimony suggests that as cigarette taxes rise, smokers are more likely to consider smoking cessation, which should result in a decline in the serious health conditions that arise from the use of tobacco. Your Committee heard and agrees with testimony in support of using a portion of the tax revenue generated by this measure for preventative services and programs.

Accordingly, your Committee has amended this measure by:

- (1) Requiring ten percent of the revenues generated by the excise tax imposed by this measure to be used by the Department of Health for programs and services aimed at smoking prevention; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 233, 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 (Shimabukuro, Wakai, Slom).

**SCRep. 150 Health on S.B. No. 979**

The purpose of this measure is to create a Healthy Families Initiative pilot program and to appropriate funds for the Initiative. The intent of this measure is to develop initiatives that positively influence healthy behavior and to bring Hawaii into compliance with federal health reform legislation requirements by 2014.

Your Committee received testimony in support of this measure from the Department of Health; the American Cancer Society Hawai'i Pacific, Inc.; Hawaii Medical Service Association; Hawai'i Pacific Health; AlohaCare; Kokua Kalihi Valley Comprehensive Family Services; Hawaii Business Health Council; and one individual.

Your Committee finds that seventy percent of chronic conditions are related to personal behaviors and unhealthy lifestyle choices. Based on testimony received, your Committee finds that in order to prevent negative health conditions arising from poor lifestyle choices, Hawaii must support change in personal behaviors by funding prevention programs. Your Committee further finds that in order for the Healthy Families Initiative to be successful, it must utilize measurable outcomes based on real data collected from the population served to gauge success.

Your Committee has amended this measure by:

- (1) Clarifying that the Healthy Families Initiative shall be a comprehensive program that deploys multiple interventions and includes the following components:
  - (A) Data collection from the population to be served that highlights the population's needs, desires, and motivations with respect to healthy lifestyle choices;
  - (B) Measurable outcomes that include reduction in health care costs and clinical elements; and
  - (C) A system of accountability for the State's delivery of measurable outcomes; and
- (2) Requiring that a percentage of funds appropriated by this measure shall be used for preventative services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 979, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Shimabukuro, Wakai, Slom).

**SCRep. 151 Health on S.B. No. 594**

The purpose and intent of this measure is to establish a nine member Hawaii Health Authority within the Office of the Governor and to appropriate funds for the expenses of the newly created Authority in order to create a comprehensive affordable health care plan for the State to better serve the health needs of residents throughout the State of Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, Healthcare Association of Hawaii, Hawaii Medical Service Association, and two private citizens. Your Committee received comments on this measure from the Department of Health and Papa Ola Lokahi.

Your Committee received testimony on this measure supporting the creation of a single Hawaii Affordable Health Care Coordinator within the Office of the Governor, in lieu of the establishment of the Hawaii Health Authority. This Hawaii Affordable Health Care Coordinator would be charged with the responsibility of making recommendations on the implementation of the federal Affordable Care Act of 2010.

Your Committee has amended this measure by:

- (1) Removing the provisions relating to the establishment of the Hawaii Health Authority;
- (2) Adding language creating the Hawaii Affordable Health Care Coordinator within the Office of the Governor;
- (3) Requiring the Hawaii Affordable Health Care Coordinator to submit a report to the Governor, the Department of Health, and the Legislature no later than twenty days prior to the convening of the Regular Session of 2013;
- (4) Removing the provisions appropriating funds to the Hawaii Health Authority; and
- (5) Adding language appropriating funds under the federal State Planning and Establishment Grant No. CFDA 93.525 for the salary of the Hawaii Affordable Health Care Coordinator;

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. 594, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 594, 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 (Shimabukuro, Wakai, Slom).

**SCRep. 152 Health on S.B. No. 1139**

The purpose and intent of this measure is to appropriate funds from the Community Health Centers Special Fund to be used by community health centers in the State to meet critical health care needs of many of Hawaii's residents.

Your Committee received testimony in support of this measure from Ho'ola Lahui Hawai'i and Papa Ola Lokahi. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that community health centers are one of Hawaii's most important health care assets and they have become even more essential to health care delivery in the State during the current hard economic times. Your Committee also finds that it is essential to the welfare of Hawaii's residents to continue to fund community health centers so that they can continue to provide critical services.

According to the Department of Health, the Department was unable to release cigarette tax revenue collected in fiscal year 2008-2009 to the community health centers because the actual amount of tax revenue collected during that year was significantly less than the \$9,000,000 estimate stated in section 1 of this measure. Your Committee recommends that the information be deleted or amended to accurately reflect these facts as this measure proceeds through the legislative process. Your Committee also notes that the funds appropriated under this measure should be used only for operational expenses of the community health centers.

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. 1139 and recommends that 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 (Shimabukuro, Wakai, Slom).

**SCRep. 153 Energy and Environment on S.B. No. 729**

The purpose and intent of this measure is to implement some of the suggestions embodied in the University of Hawaii's October 2010 final report to the Legislature on Hawaii's environmental review system, which include providing clearer guidance regarding the duties of the Environmental Council and the Director of Environmental Quality Control, requiring an annual report from the director, and reducing the size of the Council.

Your Committee received testimony in support of this measure from Loretta J. Fuddy, Department of Health; Sierra Club, Hawai'i Chapter; Bob Loy, Outdoor Circle; and Denise Antolini. Your Committee received comments on this measure from Mary Steiner, Chair of the Environmental Council.

Your Committee finds that over the past four months the Environmental Council has made great progress and that although clarifying the duties of both the Council and the Director remain important matters, some of the other provisions in the measure are no longer necessary.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the language that limited the number of members of the Environmental Council to nine and instead providing for a fifteen-member Council comprised of fourteen members and the Director;
- (2) Deleting the language requiring certain geographical representation among Council members;
- (3) Deleting the language that amended the length of the terms of the initially appointed members of the Council; 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 729, 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 (English, Slom).

**SCRep. 154 Health on S.B. No. 36**

The purpose and intent of this measure is to convene a mental health and substance abuse parity working group to determine how the State can come into compliance with federal mental health and substance abuse parity laws and regulations and enhance its existing parity laws.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Substance Abuse Coalition, Ku Aloha Ola Mau, and The Salvation Army Addiction Treatment Services. Your Committee received comments on this measure from the Department of Health and the Hawaii Medical Service Association.

Your Committee finds that, because the State has the option to enact and implement parity laws that are even more comprehensive than what is required for federal compliance, a mental health and substance abuse parity working group would best help the State determine how to establish these laws. Your Committee further finds that an amendment to this measure should be made to include an insurance representative in the working group in order to gather ideas from this industry.

Your Committee has amended this measure by:

- (1) Adding language to include a representative from a health insurance provider in the working group and to permit the Department of Health to work with other departments to carry out the purpose of 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 36, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 36, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Nishihara).

**SCRep. 155 (Joint) Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs on S.B. No. 170**

The purpose and intent of this measure is to authorize the Department of Defense and the Department of Transportation to inspect any shipping container situated anywhere at any commercial harbor in the State to detect and confiscate any material constituting a threat directly or indirectly to the security of life and property in Hawaii, including explosives, but excluding regulated fireworks.

Your Committees received testimony in support of this measure from one state department, one state council, two private entities, and one labor organization. Comments were received from one state department.

Your Committees find that the Department of Transportation and the Department of Defense lack the statutory authority to inspect incoming shipping containers. Most containers are inspected by shipping companies who match the cargo with the shipping manifest for billing purposes.

The inspection of shipping containers is a major element in the fight against terrorism. Particularly in light of the State's geographical isolation and the numerous containers arriving by ship, it is imperative that the State broaden its inspection of incoming shipping containers.

Your Committees have amended this measure by:

- (1) Clarifying that the authority to inspect cargo is permissive, subject to the discretion of the Departments of Defense or Transportation;
- (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 consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 170, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 170, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Dela Cruz, Gabbard, Kahele).

**SCRep. 156 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 1213**

The purpose and intent of this measure is to require the county agency receiving an application for a building permit for a project to convene an informational meeting of the applicant and representatives of each state and county agency that will review the permit application to expedite the permitting process.

Your Committees received testimony in opposition to this measure from one county department.

Your Committees find that an applicant for a building permit must submit an application to each agency that has jurisdiction over an aspect of the project. Many times, this means that an applicant must wait for approval from one agency before submitting an application to another agency to approve another aspect of the project. At times, an agency may decline to approve an aspect of a project that was approved by another agency that reviewed an application related to the project. Your Committees further find that the permitting process may be unduly burdensome to some businesses, particularly small businesses that cannot afford the costs of obtaining approvals that are often overlapping and duplicative.

Your Committees note the initiative of President Obama to require federal agencies to “tailor” their regulations in a way that imposes the least amount of costs to the economy while achieving their objectives. Your Committees believe a similar approach should be undertaken in Hawaii.

Your Committees have amended this measure by deleting its contents and inserting provisions to establish a temporary task force to be headed by the Comptroller to review and amend or repeal state and county rules, particularly those regarding county building permits, that may impose burdensome or unnecessary costs to businesses of all sizes but especially smaller businesses.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1213, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1213, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Baker, Fukunaga, Tokuda).

**SCRep. 157 (Majority) Ways and Means on S.B. No. 1309**

The purpose and intent of this measure is to facilitate the Lieutenant Governor’s performance of Secretary of State functions by:

- (1) Creating the lieutenant governor special fund (special fund);
- (2) Establishing fees for apostilles and certifications, copy services, and other Secretary of State services, for deposit into the special fund; and
- (3) Appropriating funds to carry out the purpose of the Act, including the hiring of staff.

Your Committee received testimony in support of this measure from the Office of the Lieutenant Governor.

Your Committee finds that this measure provides resources for the Office of the Lieutenant Governor to invest in software and personnel to streamline its Secretary of State functions and reduce the Office’s reliance on general funds. The special fund and service fees are intended to make the operations of the Lieutenant Governor’s Office fiscally self-sustaining by requiring those who benefit from these services to bear the costs.

However, your Committee also finds that it is uncertain whether the special fund would in fact be self-sustaining and, if not, to what degree the Office of the Lieutenant Governor would continue to require general funds for its operations.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provisions that establish the special fund and make appropriations therefrom;
- (2) Providing that fees charged by the Lieutenant Governor shall be deposited into the general fund;
- (3) Specifying the Lieutenant Governor’s authority to issue apostilles;
- (4) Requiring the Auditor to analyze the establishment of the special fund, including the degree to which the special fund would cover the costs of the Lieutenant Governor’s Secretary of State functions, and to report its findings to the 2012 Regular Session of the Legislature; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Espero).

**SCRep. 158 Ways and Means on S.B. No. 250**

The purpose of this measure is to require the Commission on Salaries to conduct a public hearing on the island of Oahu prior to submitting its recommendations to the Legislature.

Your Committee received testimony in support of this measure from Jean Aoki, League of Women Voters of Hawaii. Your Committee received comments on this measure from Cathy L. Takase, Acting Director, Office of Information Practices.

Your Committee finds that requiring the Commission on Salaries to conduct a public hearing will help address public concerns regarding the process for determining the salaries of certain public officials.

Your Committee notes, however, that the Commission on Salaries should have the flexibility to determine where to conduct the public hearing.

Your Committee has amended this measure by:

- (1) Clarifying that the Commission on Salaries shall post its report online for public viewing; and
- (2) Deleting the requirement that the public hearing be conducted on the island of Oahu.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 250, S.D. 1, and be placed on the calendar for Third Reading.



Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 159 Ways and Means on Gov. Msg. No. 518**

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR OF THE DEPARTMENT OF BUDGET AND FINANCE

G.M. No. 518 KALBERT K. YOUNG, for a term to expire December 1, 2014.

The Committee reviewed the personal statement and resume submitted by the nominee and finds Kalbert K. Young to have the necessary qualifications to serve as the Director of Finance.

Your Committee received testimony in support of the nomination of Mr. Young as Director of Finance from Governor Neal Abercrombie; Dean Hirata, Deputy Director of Budget and Finance; Neil Miyahira, Administrator, Budget, Program and Planning Division of the Department of Budget and Finance; Scott Kami, Administrator, Financial Administration Division of the Department of Budget and Finance; Barbara A. Annis, Administrative Services Officer of the Department of Budget and Finance; Wesley K. Machida, Administrator, Employees' Retirement System; Sandra Yahiro, Assistant Administrator, Hawaii Employer-Union Health Benefits Trust Fund; John M. Tonaki, State Public Defender; Riki Hokama, Member, Maui County Council; Charmaine Tavares, former Mayor of Maui County; Maui County Farm Bureau; Maurice Morita, Assistant Director, Hawaii Laborers-Employers Cooperation and Education Trust; and one individual.

Your Committee finds that, consistent with the exemplary comments received on his behalf, his experience for six years as the Director of Finance for Maui County, and an extensive and impressive professional background in management and finance with Kamehameha Schools, Mr. Young has excelled in recent months as the Interim Director of Finance, during which time he has created short-term and long-term strategies for addressing the budgetary challenges faced by Hawaii.

Your Committee finds that, as the former Director of Finance for Maui County, Kalbert K. Young made significant improvements in the county's financial position, including:

- (1) Increasing general fund carryover savings balances;
- (2) Establishing a funding strategy to address Maui County's unfunded liability for non-pension retirement benefits;
- (3) Developing property tax policy that reduced the county real property tax from fiscal years 2004 to 2009; and
- (4) Structuring county bond transactions to refund debt and to take advantage of federal stimulus financing programs.

Kalbert K. Young's successes in Maui County government led the former Mayor of Maui County, Charmaine Tavares, to express her support, testifying, "He is keenly aware of the responsibility of using taxpayers' funds to operate government." Councilmember Riki Hokama noted that Mr. Young "will provide a balanced approach to address the State's fiscal requirements and the steady and wise leadership needed during these challenging times."

In addition to support from his former colleagues in the Maui County government, officials with the Hawaii Department of Budget and Finance who have worked with Mr. Young during his tenure as the Interim Director of Finance offered their support for his nomination. Deputy Director Dean Hirata testified, "His 'no-nonsense approach,' openness to new ideas, and ability to collaborate with others, represents the type of financial leadership I believe the State needs at this time." Other administrators' testimony stated, "He brings with him a wealth of hands-on, finance-related experience, from both the private and public sectors," and, "Mr. Young's management style encourages staff input and participation and has created a supportive work environment for the Department staff."

Your Committee finds that Kalbert K. Young possesses the skills and abilities necessary to lead the Department of Budget and Finance during the coming years. Mr. Young's management and finance experience and achievements in government and the private sector have prepared him to guide the State in addressing the budgetary and financial challenges that will arise as Hawaii works to achieve financial stability. Accordingly, your Committee supports his confirmation.

As 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, 10. Noes, none. Excused, 4 (Kidani, Kim, Kouchi, Tokuda).

**SCRep. 160 Ways and Means on Gov. Msg. No. 519**

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR OF THE DEPARTMENT OF TAXATION

G.M. No. 519 FREDERICK D. PABLO, for a term to expire December 1, 2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Frederick D. Pablo to possess the requisite qualifications to be the Director of Taxation.

Testimony in support of the nomination of Frederick D. Pablo as Director of Taxation was submitted by Governor Neal Abercrombie; Randy Baldemor, Deputy Director of Taxation; Riki Hokama, Maui County Council; Gary Yabuta, Chief of Police, County of Maui; Maui County Farm Bureau; Charmaine Tavares, former Mayor of the County of Maui; Sheri Morrison, former Managing Director, County of Maui; and Mahina Martin, former Community Relations and Communications Director, County of Maui.

Upon review of the testimony and other information provided, your Committee finds that Mr. Pablo received a Bachelor of Business Administration degree and a Master of Business Administration degree from the University of Hawaii at Manoa. Mr. Pablo is a Certified Public Accountant and has accumulated approximately forty years of experience in taxation and finance. From 1971 to 1979, Mr. Pablo served with the Internal Revenue Service as a revenue agent and as a technical coordinator for international operations. From 1980 to 1987, Mr. Pablo served as a Deputy Tax Attaché with the United States Embassy in Bonn, Germany. From 1987 to 2002, Mr. Pablo served as Tax Attaché with the United States Embassy in Rome, Italy and Paris, France. From 2004 to 2006, Mr. Pablo served as District Tax Manager for the County of Maui. From 2007 to December 2010, Mr. Pablo served as Budget Director for the County of Maui. Mr. Pablo currently serves as Interim Director of Taxation.

Your Committee notes that Mr. Pablo is well-respected for his knowledge of taxation law as well as his management ability. Your Committee also finds that Mr. Pablo has acquired considerable tax experience by serving in both international and local capacities. Your Committee has received testimony praising Mr. Pablo's technical acumen and leadership skills for his service as Budget Director for the County of Maui and as Interim Director of Taxation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (Kidani, Kim, Kouchi, Tokuda).

**SCRep. 161 Commerce and Consumer Protection on S.B. No. 298**

The purpose and intent of this measure is to authorize the formation of sustainable benefit corporations, a form of private business corporation that offers entrepreneurs and investors the option to build and invest in enterprises that operate in a socially and environmentally responsible manner.

Your Committee finds that under general principles of corporate organization, the directors of a corporation have a singular and enforceable duty to maximize shareholder profits. Your Committee further finds that this duty may prevent entrepreneurs and investors from achieving their own goals of establishing and investing in private enterprises that serve social or environmental purposes in addition to pursuing profits. Your Committee finds that several other states have responded to market demand for opportunities to pursue good corporate citizenship by authorizing the formation of corporate entities that may be governed according to principles other than pure profit motive. Your Committee notes that the corporate structure authorized by this measure is a voluntary designation that preserves the private nature of corporations that choose it and relies on the governing structure of the corporation itself for enforcement. Finally, your Committee finds that authorizing the formation of sustainable benefit corporations in this State will help to diversify Hawaii's economy by attracting entrepreneurship and investment in innovative businesses and emerging industries.

Your Committee has amended this measure by deleting its contents and replacing them with provisions to authorize the establishment of sustainable business corporations within this State, specifically:

- (1) A statement of the purpose of the measure and related legislative findings;
- (2) Definitions of relevant terms;
- (3) Requirements for the formation of a sustainable business corporation, including the applicability of the organizational requirements for domestic corporations found in chapter 414, Hawaii Revised Statutes;
- (4) Procedures for an existing domestic corporation to elect to become a sustainable business corporation;
- (5) Procedures for the termination of a corporation's status as a sustainable business corporation;
- (6) Requirements for the corporate purpose of a sustainable business corporation;
- (7) Requirements for standards of conduct for the board of directors of a sustainable business corporation, including requirements to consider the effects of actions of the sustainable business corporation on shareholders, employees, beneficiaries, the community, the environment, and the sustainable business corporation;
- (8) Requirements for the election and duties of a benefit director charged with overseeing internal corporate enforcement of the requirements imposed on a sustainable business corporation;
- (9) Requirements for standards of conduct for officers of a sustainable business corporation including requirements to consider the effects of actions of the sustainable business corporation on shareholders, employees, beneficiaries, the community, the environment, and the sustainable business corporation;
- (10) Authorization for the appointment by a sustainable business corporation of a benefit officer with the duty to manage the activities of the sustainable business corporation in creating the general or specific public benefit provided in the bylaws or by the board of directors of the sustainable business corporation;
- (11) Authorization of a private right of action by the sustainable business corporation or its shareholders or directors, persons with an equity interest, and other persons authorized by its articles or bylaws to enforce the provisions of this measure;
- (12) Requirements for an annual report to shareholders, the Department of Commerce and Consumer Affairs, and the public; and
- (13) Authorization for the Department of Commerce and Consumer Affairs to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, for the administration of this measure.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

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. 298, as amended herein, and recommends that it be recommitted to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.B. No. 298, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Nishihara, Solomon).

**SCRep. 162      Judiciary and Labor on Gov. Msg. No. 521**

Recommending that the Senate advise and consent to the nominations of the following:

SUPREME COURT, STATE OF HAWAII

G.M. No. 521    SABRINA SHIZUE MCKENNA, for a term of ten years.

Your Committee received testimony in support of the appointment of Judge Sabrina Shizue McKenna to the position of Associate Justice of the Supreme Court of the State of Hawaii from United States Congressional Representative Colleen Hanabusa; Representative Blake K. Oshiro, Hawaii State House of Representatives; John M. Tonaki, State Public Defender; Judge Eden Elizabeth Hifo (retired), Circuit Court, First Circuit; Judge Lanson K. Kupau, Per Diem Judge, District and Family Courts, First Circuit; Judge Diana L. Warrington (retired), Family Court, First Circuit; Judge Sandra A. Simms, Circuit Court, First Circuit; Judge Riki May Amano (retired), Circuit Court, Third Circuit; the Mayor of the County of Hawai'i; Family Law Section, Hawaii State Bar Association; Hawai'i Women Lawyers; Hawaii State Commission on the Status of Women; Hawaii Government Employees Association; and eighty-five individuals. Testimony in opposition to the appointment was submitted by five individuals. Comments regarding the appointee were submitted by the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors (HSBA Board) found the appointee to be qualified for the position of Associate Justice of the Hawaii Supreme Court, based on established criteria for determining the qualifications of judicial and executive appointments generally utilizing the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Those Guidelines include the following criteria, which are not exclusive: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and responsibilities and duties required of the position for which the applicant has been appointed. The HSBA Board ratings system includes the categories of "qualified" and "not qualified".

Judge McKenna received her Bachelor of Arts degree in Japanese language from the University of Hawaii at Manoa and her Juris Doctor degree from the University of Hawaii at Manoa, William S. Richardson School of Law. As a law student, Judge McKenna served as Editor in Chief of the University of Hawaii Law Review. Additionally, she served as the quarterback of the law students' Ete team in the Ete Bowl, the annual football game between female law students and female alumni. Following law school, Judge McKenna began her career in private practice with the law firm of Goodsill Anderson Quinn & Stifel, where she concentrated her practice in civil litigation and representation of Japanese business entities in various areas of law, including corporate, real estate, contract, and immigration. In 1987, she moved to an in-house counsel position with Otaka, Inc., a large company with various international interests. In that position, she also served as the company's Corporate Secretary, Director, and General Counsel and represented the company's interest throughout the world.

In 1991, Judge McKenna took a position as an Assistant Professor at the University of Hawaii, William S. Richardson School of Law, organizing and supervising law students in the Public Interest Clinic and teaching other clinic, legal writing, and oral advocacy courses. She then left her teaching position to become a District Court judge, handling civil, criminal, driving under the influence, traffic, and arraignment calendars. Four years later, she was appointed to the Circuit Court of the First Circuit, where she handled more than one hundred fifty jury trials, many bench trials, settlement conferences, and motions. Also as a Circuit Court judge, Judge McKenna presided in cases in the Criminal Division, Adult Criminal Division, Family Court, and Civil Division. In 2009, she became the Senior Judge of the Family Court of the First Circuit. In this last position, Judge McKenna led the Family Court's move to the new Kapolei Judiciary Complex, a logistical and administrative feat of careful planning and organization. Moreover, she has substituted for justices and other judges hearing agency appeals and on the Hawaii Supreme Court.

Judge McKenna has also been an active participant in the legal community, having been a member of numerous boards and committees, including the Board of Directors of the Volunteer Legal Services Hawaii, the Hawaii Supreme Court Civil Pattern Jury Instruction Committee, the Statewide Juvenile Justice Information Committee, the Standing Committee on Children in Family Court, and the Hawaii Supreme Court Family Court Rules Committee, among many others. She has also been the co-Chairperson of the American Judicature Society, Hawaii Chapter, Committee on Judicial Independence and Accountability and the American Judicature Society, Hawaii Chapter, Committee on Judicial Administration. More recently, Judge McKenna currently serves as the Chairperson of the Hawaii Supreme Court Committee to Evaluate the Qualifications of per Diem Judges in the First Circuit and of the Hawaii Supreme Court Committee on Court Interpreters.

Judge McKenna has also been the recipient of numerous awards, including the Richardson Law School Outstanding Alumnus Award, University of Hawaii Distinguished Alumnus Award, the Hawaii Women Lawyers Outstanding Judicial Achievement Award, the Dr. Martin Luther King Friends Award from the Hawaii Friends of Civil Rights, and the Certification of Distinguished Service by the Hawaii Joint Police Association. Additionally, Judge McKenna also participates in the community by acting as an AYSO Soccer referee and coach, among other volunteer activities.

Testimony in support of Judge McKenna reveals an individual who balances an excellent judicial temperament with a keen and analytic intellect. Testifiers commended her compassion, sensitivity, thoughtfulness, patience, integrity, generosity, kindness, and positive and energetic attitude. Her reputation within the legal community is exemplary. Attorneys who have appeared before her and judges who have served with her note her hard-working, industrious, diligent, meticulous, and insightful nature. Her decisions are well thought out and coherently expressed. She is reputed to be always well-prepared, with a thorough knowledge of the law, and applies the facts and law in a decisive and common sensical manner. When hearing a case, testifiers noted her fair treatment of the parties and

attorneys in her dealings with them and in her decisions. Testifiers also praised the breadth and depth of her legal experience gained through private practice, in-house counsel, law school teaching, and service on the varied benches of District, Circuit, and the Hawaii Supreme Court hearing criminal, civil and family cases.

Your Committee also received testimony from a handful of individuals objecting to the appointee on the basis of her sexual orientation. While your Committee always appreciates the public's input on judicial appointees, the basis of the objections in this testimony is entirely irrelevant. In considering whether to recommend that the Senate consent to a judicial appointment, your Committee's responsibility lies in determining an appointee's fitness and qualifications to fulfill the position at hand. The role of an Associate Justice on our highest appellate court is an important one, and should not be treated so lightly such that a candidate's outstanding qualifications to fill that role are set aside in favor of considering an immaterial personal characteristic.

Your Committee finds that, based on the testimony submitted on her behalf, Judge Sabrina Shizue McKenna has the experience, temperament, judiciousness, and other competencies to be an Associate Justice of the Hawaii Supreme Court, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for an Associate Justice of the Hawaii Supreme Court.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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, none.

**SCRep. 163 Public Safety, Government Operations, and Military Affairs on S.B. No. 590**

The purpose and intent of this measure is to extend the date on which the Legislative Federal Economic Stimulus Program Oversight Commission is terminated from June 30, 2011, to December 31, 2011.

Your Committee received testimony in support of this measure from one entity.

As background, Act 150, Session Laws of Hawaii 2009, provides exemptions from statutes relating to procurement and rulemaking to allow the State to expedite the implementation or expansion of programs, services, and benefits authorized by the American Recovery and Reinvestment Act of 2009. Act 150 also established a Legislative Federal Economic Stimulus Program Oversight Commission to ensure transparency and accountability in the distribution and implementation of federal economic stimulus program funds and expenditures.

Your Committee finds that in these times of economic turmoil, the American Recovery and Reinvestment Act of 2009 is instrumental in bringing, as soon as possible, additional financial assistance and other social services to Hawaii residents who have been affected by the current economic circumstances as well as improvement and expansion of benefits to the neediest individuals and families in Hawaii. This measure will help to ensure that these federal funds are distributed and expended in a transparent manner to maximize the effectiveness of the funds.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 590 and recommends that 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 (Kidani, Ryan).

**SCRep. 164 Public Safety, Government Operations, and Military Affairs on S.B. No. 636**

The purpose and intent of this measure is to enact the Uniform Military and Overseas Voters Act, which implements voting provisions for uniformed services and overseas absentee voters required by the Military and Overseas Voter Empowerment Act.

Your Committee received testimony in support of this measure from one state department and three private entities. Your Committee received testimony in opposition to this measure from one state department.

Your Committee finds that this measure allows military personnel who are deployed or stationed outside of the United States and other overseas voters to have an opportunity to vote by submitting their ballots for federal, state, and county offices in general, special, primary, or runoff elections, including state and county ballot measures through the mail or an electronic transmission system. Current federal law in the Uniformed and Overseas Citizens Absentee Voting Act requires states to enact provisions to enable uniformed service voters as well as other voters to vote while stationed or living overseas, if they are otherwise eligible to vote.

Your Committee notes the comments of the Office of Elections to the effect that the Office has already adopted administrative rules that address all mandatory provisions of the Uniformed and Overseas Citizens Absentee Voting Act. Therefore, your Committee believes that this measure should pose no undue burdens on the Office of Elections.

Your Committee has amended this measure by:

- (1) Clarifying the language establishing the deadline by which an election official charged with the distribution of ballots and balloting materials must transmit ballots and balloting materials no later than forty-five days before the election;
- (2) Requiring voters to submit the ballot for mailing, electronic transmission, or other authorized means of delivery in sufficient time for the chief election officer to receive the ballot by the election day; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 636, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as S.B. No. 636, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 165 Public Safety, Government Operations, and Military Affairs on S.B. No. 655**

The purpose and intent 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.

Your Committee received testimony in support of this measure from three county departments.

Your Committee finds that this measure would enable the counties to promptly track ownership, encumbrances, restrictions, uses, and sales prices of real property for the purpose of determining real property tax assessments.

The current method, whereby the city 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.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 655 and recommends that 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 (Kidani, Ryan).

**SCRep. 166 Public Safety, Government Operations, and Military Affairs on S.B. No. 1193**

The purpose and intent of this measure is to allow Hawaii consumers to receive discounts, coupons, and rebates when purchasing intoxicating liquor in combination with other merchandise.

Your Committee received testimony in support of this measure from four entities and eleven individuals. Your Committee received comments on this measure from one entity.

Your Committee finds that this measure brings Hawaii in line with all but seven states that allow coupons, discounts, and rebates or combinations thereof for the purchase of alcoholic beverages along with other merchandise. Testimony indicates that this is strictly a marketing tool that is used by manufacturers and stores to boost sales, which increases general excise tax revenues to the State.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1193, 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 (Baker). Noes, none. Excused, 1 (Slom).

**SCRep. 167 (Joint) Public Safety, Government Operations, and Military Affairs and Education on S.B. No. 1215**

The purpose and intent of this measure is to transfer 1.5 acres adjacent to the approximately 3.993 acres set aside by Executive Order No. 3791, to the University of Hawaii Kapiolani Community College, for a proposed Legacy Center for the 100th/442nd Regimental Combat Team.

Your Committees received testimony in support of this measure from the University of Hawai'i System and 442nd Veterans Club. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees note that the Department of Land and Natural Resources, which controls the property, indicated that it is willing to consider sharing the site with the 442nd Veterans Club for the purpose of the proposed Legacy Center for the 100th/442nd Regimental Combat Team. However, the Department also indicated that it would be difficult to find another site for its state parks baseyard, which is currently located at the subject property.

Testimony on this measure indicated that the transfer of land is premature in that all issues have not been fully discussed amongst interested parties. Furthermore, neither the University of Hawaii Board of Regents nor the Board of Land and Natural Resources has given approval for the land transfer. Your Committees believe that further study is needed before a land transfer can be authorized.

Your Committees have amended this measure by:

- (1) Deleting references to the transfer of jurisdiction over the subject property to the University of Hawaii Kapiolani Community College and making conforming amendments throughout the measure; and
- (2) Inserting a provision to create a task force under the University of Hawaii Kapiolani Community College to study certain issues concerning the feasibility of transferring that parcel of land, and to report to the Legislature before the 2012 Regular Session.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1215, as

amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1215, S.D. 1, and be referred to the Committee on Water, Land, and Housing.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 1 (Baker).

**SCRep. 168 Public Safety, Government Operations, and Military Affairs on S.B. No. 1222**

The purpose and intent of this measure is to require a taxpayer appealing a real property tax assessment to first obtain a decision from an administrative body established by county ordinance before appealing to the state Tax Appeal Court.

Your Committee received testimony in support of this measure from one county department. Your Committee received comments on this measure from one county department.

Your Committee finds that the current law permits a taxpayer appealing a real property tax assessment to appeal directly to the state Tax Appeal Court, bypassing the applicable county real property tax review board. This creates inefficiency and waste for both state and county governments. County real property tax review boards are frequently able to conclusively settle disputes regarding real property tax assessments. Requiring appellants to first appeal to the applicable county real property tax review board will promote fairness for all taxpayers.

Your Committee has amended this measure by:

- (1) Making clarifying amendments to the appeals process provisions; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1222, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Ryan).

**SCRep. 169 Public Safety, Government Operations, and Military Affairs on S.B. No. 230**

The purpose and intent of this measure is to:

- (1) Require the Department of Public Safety to determine the number of women who are eligible for reintegration into the community and contract with providers of gender-responsive community services to assist these women in successfully transitioning back into the community; and
- (2) Make an appropriation to contract with providers to provide those services.

Your Committee received testimony in support of this measure from six entities and seven individuals.

Your Committee finds that incarceration is not an effective method to deal with the addiction faced by women being held for illegal drug use. The root problems that lead to these destructive behaviors must be addressed to successfully break the cycle of substance abuse, crime, and incarceration. Your Committee further finds that currently, there is a lack of adequate programs that can help incarcerated women face these challenges and assist them in successfully transitioning back into the community. Unfortunately, the great majority of incarcerated women will be released into the community without the necessary skills and tools for a successful transition.

This measure offers an array of services, including family reunification, employment, education opportunities, and housing, to assist women in successfully transitioning back into the community.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 230 and recommends that 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 (Kidani, Ryan).

**SCRep. 170 Public Safety, Government Operations, and Military Affairs on S.B. No. 141**

The purpose and intent of this measure is to, among other things:

- (1) Enumerate the types of county services that may be provided within and financed by an Improvement District or Community Facilities District; and
- (2) Clarify the uses of improvement district assessments and community facilities district special taxes.

Your Committee received testimony in support of this measure from one county department.

The intent of your Committee is to expand the authority of counties to use land-based financing to support their operating costs due to new development in improvement districts and community facilities districts.

Your Committee finds that with budgets tightening, the counties are finding it more difficult to support their annual operating costs. In some jurisdictions, the use of land-secured financing has been used by various government agencies to fund infrastructure and other improvements. Your Committee further finds that land-secured financing provides an opportunity for the counties to support new

development-related operating costs, such as police, fire protection, and maintenance services, in addition to special improvements and infrastructure.

Your Committee has amended this measure by:

- (1) Adding county maintenance of the capital improvements to be land-based financed;
- (2) Authorizing the counties to use up to five percent of the assessment or special tax to cover administrative expenses in creating and administering the district and the associated assessments, fees, and taxes; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 141, 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 (Kidani, Ryan).

**SCRep. 171 Public Safety, Government Operations, and Military Affairs on S.B. No. 119**

The purpose and intent of this measure is to authorize the Department of Accounting and General Services to sell and lease-back public buildings to the public, not including title to the land upon which the building or its grounds are situated. This measure also exempts from the Hawaii Public Procurement Code the operation and maintenance of public buildings sold under a lease-back arrangement.

Your Committee received testimony in support of this measure from one entity. Your Committee received comments on this measure from one state department.

Your Committee finds that in the face of declining revenues, the State needs the authority to sell state buildings and to lease those buildings back from the buyer. The sell and lease-back arrangement is a means to free up cash or remove debt.

Your Committee notes the testimony of the Department of Budget and Finance indicating that the sale of public buildings previously financed with general obligation bonds that are currently outstanding may trigger a "change of use" of the bond financed building, as the owner of the building for federal tax purposes will be a private entity. This may result in a pro-rated portion of the bond issue that no longer qualifies for federal tax exemption.

Your Committee notes that there are long-term financial considerations that could be either beneficial or detrimental to the State as the landowner and occupant of the building. Each transaction or building would pose different considerations. Any such transactions should be undertaken with diligent care to ensure future state interests are preserved.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 119, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Kidani, Ryan).

**SCRep. 172 Public Safety, Government Operations, and Military Affairs on S.B. No. 113**

The purpose and intent of this measure is to create a three-year pilot Medical Cannabis Research Program in the Department of Public Safety.

Your Committee received testimony in support of this measure from six private entities and numerous individuals. Your Committee received testimony in opposition to this measure from one state department and one county department.

The intent of your Committee is to provide a means by which a team of qualified researchers could undertake medical cannabis research involving local qualifying medical cannabis patients under the protection of state law.

Your Committee finds that the use of medical cannabis warrants further research. Hawaii has already established a medical marijuana law; the next step is to provide a platform on which the chemical properties and medicinal benefits of medical cannabis can be studied in a peer-reviewed manner. Formal peer-reviewed research investigates the chemical composition and therapeutic effects of medical cannabis in a controlled pre-clinical and clinical laboratory setting. Your Committee recognizes that in addition to peer-reviewed research, it is also important that research be conducted on the unique strains of cannabis that have been developed in Hawaii.

Your Committee has amended this measure by:

- (1) Inserting a provision for an unspecified number of patients for each primary caregiver at any given time for purposes of the pilot program; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 113, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as S.B. No. 113, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 173 Public Safety, Government Operations, and Military Affairs on S.B. No. 110**

The purpose and intent of this measure is to provide minors with immunity from prosecution for the consumption, purchase, or possession of liquor under limited circumstances where a minor summons medical treatment for another minor who requires medical treatment as a result of consuming liquor.

Your Committee received testimony in support of this measure from two entities and four individuals.

Under this measure, immunity is afforded to a minor if the minor summons medical treatment for another minor who requires the medical treatment as a result of consuming liquor; remains on the scene with the minor who is in need of medical treatment until the medical treatment is administered to the minor; and cooperates with medical assistance and law enforcement personnel on the scene. The immunity is also afforded to one or two other minors acting in concert with the minor in summoning the help, if those other minors are in similar compliance.

Your Committee finds that minors faced with a medical emergency as a result of excess drinking of alcohol, particularly in groups, 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 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 110, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 174 Public Safety, Government Operations, and Military Affairs on S.B. No. 58**

The purpose and intent of this measure is to amend the medical use of marijuana law to address the concerns of Hawaii's seriously ill patients. Specifically, this measure:

- (1) Allows a qualified patient or a registered primary caregiver to provide usable cannabis or any part thereof to any other registered qualifying patients or any other registered primary caregiver, if no consideration is paid for the transfer and if the amount does not exceed an adequate supply;
- (2) Clarifies that the primary caregiver must be eighteen years of age or older who has agreed with or without reimbursement to take on that care;
- (3) Increases the adequate supply limit to ten cannabis plants and five ounces of usable cannabis at any given time;
- (4) Clarifies the designated form requirements for the written certification and the written certification requirements issued by physicians;
- (5) Changes the term "marijuana" to "cannabis" in certain instances; and
- (6) Allows the Department of Public Safety to require by administrative rule, that a registration be based on information contained in a designated form completed by or on behalf of a qualifying patient, and specifying that information.

Your Committee received testimony in support of this measure from ten private entities and numerous individuals. Your Committee received testimony in opposition to this measure from three state departments and three county departments.

Your Committee finds that this measure addresses the issues and obstacles that qualifying patients, physicians, caregivers, and law enforcement officials have encountered over the years with the Medical Marijuana Program. The intent of your Committee is to avoid the use of necessity of patients to resort to illegal means of obtaining marijuana. This measure is recommended for passage by the Medical Cannabis Working Group to facilitate the legal distribution of medical marijuana.

Your Committee has amended this measure by:

- (1) Specifying that a qualifying patient who is registered and who transports cannabis that is intended for medical use shall be immune from searches, seizures, and prosecution for drug offenses under the penal code while in the course of the transport;
- (2) Adding cannabis seeds, seedlings, and clones to the allowance of transfers of usable cannabis;
- (3) Decreasing from four to three the number of qualifying patients that a primary caregiver may be responsible for at any given time;
- (4) Streamlining the purpose section to delete inaccurate or incomplete material; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 58, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 175 (Joint) Agriculture and Water, Land, and Housing on S.B. No. 1392**

The purpose and intent of this measure is to create a new regulatory provision governing the lease or sale of public land to agricultural enterprises.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs. Your Committees received comments on this measure from the Department of Land and Natural Resources and the Land Use Research Foundation of Hawaii.

Your Committees find that this measure provides a mechanism for the disposition of certain public lands for agricultural use by lease, lease with option to purchase, or in fee simple. Your Committees further find that dispositions under this measure shall be made only to agricultural enterprises that satisfy specific requirements and conditions.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1392 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 (Shimabukuro, Tokuda). Noes, none. Excused, 5 (Chun Oakland, Fukunaga, Kouchi, Ryan, Slom).

**SCRep. 176 (Joint) Agriculture and Water, Land, and Housing on S.B. No. 1511**

The purpose and intent of this measure is to:

- (1) Increase lease terms for aquaculture operations from thirty-five to sixty-five years;
- (2) Permit aquaculture lessees in good standing the right of first refusal; and
- (3) Allow for supportive aquaculture activities.

Your Committees received testimony in support of this measure from the Department of Agriculture; the Hawaii Aquaculture & Aquaponics Association; the Hawaii Farm Bureau Federation; the East Oahu County Farm Bureau; Hawaii Oceanic Technology, Inc.; and two individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources; the Coalition Against CO2 Dumping, Inc.; Food & Water Watch; and two individuals.

Your Committees find that aquaculture leases currently have a statutory limit of thirty-five years with no option for renewal. Your Committees further find that often times, project financing and private-sector loans require applicants to have longer terms than those allowed under the current statutes. It is the intent of your Committees to encourage commercial aquaculture production in the State by providing favorable terms for aquaculture leases.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1511, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1511, 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 (Shimabukuro). Noes, none. Excused, 5 (Chun Oakland, Fukunaga, Kouchi, Ryan, Slom).

**SCRep. 177 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 1277**

The purpose and intent of this measure is to update the laws regulating legal service plans to enable the insurance commissioner to exert more effective oversight of these plans.

Your Committees received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs.

Your Committees find that legal service plans have a low rate of compliance with applicable regulatory laws. Your Committees further find that there is currently no periodic renewal process for legal services plans. Therefore, the Insurance Commissioner has no way to track the continued existence and legitimate operations of legal services plans within the State, or to effectively enforce compliance with the applicable laws. Your Committees also find that the provisions of this measure will allow the Insurance Commissioner to operate with more certainty and efficiency in exerting oversight of legal service plans in this State.

Your Committees have amended this measure by:

- (1) Adding a provision to require notice to the Insurance Commissioner of a plan's intention to cease operations and of provisions made for the disposition of accumulated funds; 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 Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1277, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1277, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 178 (Joint) Commerce and Consumer Protection and Energy and Environment on S.B. No. 715**

The purpose and intent of this measure is to repeal the requirement that gasoline sold in this State include ten percent ethanol.

Your Committees received testimony in support of this measure from two private individuals. Your Committees received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that at the time that the requirement to include ten percent ethanol in gasoline sold in this State was implemented, the purpose of the requirement was to further the goal of statewide energy independence by creating a market for locally-produced ethanol. However, this goal has yet to materialize. There are no commercial producers of ethanol within the State despite the abundance of vacant land with which to produce fuel stock and no regulatory climate conducive to the development of the required infrastructure. While your Committees are sympathetic to the Department of Business, Economic Development, and Tourism's desire to maintain the appearance of enthusiasm for biofuel development, your Committees note that ethanol remains an import-only commodity within the State, and the ten percent ethanol requirement for gasoline does nothing to impact Hawaii's energy independence.

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. 715 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, 1 (English).

**SCRep. 179 (Joint) Energy and Environment and Commerce and Consumer Protection on S.B. No. 1214**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Pacific Power and Water Company, Inc., with the planning, permitting, designing, construction, equipping, and operating of hydropower facilities throughout the State.

Your Committees received testimony in support of this measure from Dr. Patrick Sullivan, Pacific Power and Water Company, Inc.; and John Kuriyama, Oceanit. Your Committees received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committees find that the hydropower projects for which assistance is requested will produce renewable energy, generate revenue for much needed dam maintenance and repair, generate jobs in the renewable energy sector, and reduce the State's overall dependence on fossil fuels. Your Committees also find, however, that Pacific Power and Water Company, Inc. needs to provide clarifying information to your Committees by April 15, 2011, and that this information shall include statements, without rendering opinions, from the Department of Business, Economic Development, and Tourism and the Department of Budget and Finance stating that both agencies have reviewed the project's business plan and, in the statement from the Department of Budget and Finance, that the agency has reviewed the company's financial statements. Your Committees also recognize that under the Internal Revenue Code there is a limitation on the amount of tax-exempt financing for industrial projects.

Your Committees have amended this measure by:

- (1) Deleting the dollar amount up to which the issuance of special purpose revenue bonds is authorized and leaving it blank; and
- (2) Changing the effective date to upon approval.

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 are in accord with the intent and purpose of S.B. No. 1214, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1214, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9; Ayes with Reservations (Slom). Noes, none. Excused, 1 (English).

**SCRep. 180 (Joint) Energy and Environment and Commerce and Consumer Protection on S.B. No. 1482**

The purpose and intent of this measure is to require the Public Utilities Commission, when making determinations of the reasonableness of the costs of utility system capital improvements and operations, to consider the need to reduce the State's reliance on fossil fuels and to consider the benefits of capital improvements for renewable energy generation and energy efficiency despite the short term expense.

Your Committees received testimony in support of this measure from Jeffrey T. Ono, Department of Commerce and Consumer Affairs; Blue Planet Foundation; Christy Imata, Hawaii Solar Energy Association; and Warren Bollmeier, Hawaii Renewable Energy Alliance. Your Committees received comments on this measure from Carlito P. Caliboso, Public Utilities Commission.

Your Committees find that in order to help reduce the State's dependence on fossil fuels the Public Utilities Commission needs to give consideration to the long-term benefits of projects that may incur larger short-term costs than fossil-fuel dependent or less energy

efficient alternatives. This measure gives the Public Utilities Commission specific direction to make those considerations during the performance of its duties.

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 are in accord with the intent and purpose of S.B. No. 1482 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, 1 (English).

**SCRep. 181 Energy and Environment on S.B. No. 1346**

The purpose and intent of this measure is to allow electrical energy generated through customer-sited, grid-connected renewable energy generation to be counted toward renewable portfolio standard goals beginning January 1, 2015, to help electric utilities meet their renewable portfolio standard goals.

Your Committee received testimony in support of this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; the Sierra Club, Hawai'i Chapter; and Scott Seu, Hawaiian Electric Company, Inc. Your Committee received testimony in opposition to this measure from Mark Duda, Hawaii Solar Energy Association. Your Committee received comments on this measure from Carlito P. Caliboso, Public Utilities Commission; and Warren Bollmeier, Hawaii Renewable Energy Alliance.

Your Committee recognizes that allowing an electric utility to count electricity produced through customer-sited, grid-connected renewable energy generation toward its renewable portfolio standard encourages the connection of these renewable sources to the grid thereby leading to greater overall energy independence for the State.

Your Committee has amended this measure by:

- (1) Specifying that net electricity delivered to a utility shall be included under the definition of renewable electrical energy that counts toward an electric utility's renewable portfolio standard;
- (2) Inserting an effective date of July 1, 2050, to facilitate further discussion on this 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1346, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 182 (Majority) Energy and Environment on S.B. No. 179**

The purpose and intent of this measure is to remove the exemption for dietary supplements from the Deposit Beverage Container Program.

Your Committee received testimony in support of this measure from Loretta J. Fuddy and Steven Chang, Department of Health; Robert Harris, Sierra Club, Hawai'i Chapter; Marjorie Ziegler, Conservation Council for Hawai'i; Marjorie Erway; Joy Leilei Shih; and Michael Gach. Your Committee received testimony in opposition to this measure from John Hewitt, Grocery Manufacturers Association.

Your Committee finds that the State's Deposit Beverage Container Program has proven to be an overwhelming success for Hawai'i's environment and that increasing the types of beverage containers that can be collected for a refund will help further reduce the numbers of containers in landfills, on land, and in the water.

Your Committee further finds that energy drinks are becoming increasingly popular and are using the dietary supplement exemption to evade compliance with the State's Deposit Beverage Container Program law and that there is no logical basis for exempting this growing class of beverages from the program. Your Committee has heard the concerns expressed in testimony regarding the potential unintended inclusion of non-liquids such as tablets, capsules, powders, energy bars, etc. and has determined that these concerns are unfounded as section 342G-101, Hawaii Revised Statutes, defines "deposit beverage" as "beer, ale, or other drink produced by fermenting malt, mixed spirits, mixed wine, tea and coffee drinks regardless of dairy-derived product content, soda, or noncarbonated water, and all nonalcoholic drinks in liquid form and intended for internal human consumption that is contained in a deposit beverage container." The statute relates specifically to liquids only and this measure simply includes so-called energy drinks in the State's 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. 179 and recommends that 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. 183 (Majority) Energy and Environment on S.B. No. 1059**

The purpose and intent of this measure is to prohibit certain businesses from distributing single-use plastic checkout bags at the point of sale, with certain exceptions, in order to reduce overall waste generation of the State.

Your Committee received testimony in support of this measure from Bob Loy, The Outdoor Circle; Marjorie Ziegler, Conservation Council for Hawai'i; Stuart Coleman, Surfrider Foundation, Hawai'i Chapters; Gina Hart; Joy Leilei Shih; Scott Higgins; Mariya Gold; Roxanne Rivero; Rachel Harvey; Charlie Taylor; Brent Carman; Sandra; Ken Sentner; Annie Lovell; and Danielle Best. Your Committee received testimony in opposition to this measure from Loretta J. Fuddy, Department of Health; Tim Shestek, American Chemistry Council; Lauren Zirbel, Hawaii Food Industry Association; Carol Pregill, Retail Merchants of Hawaii; Jennifer Milholen; Lee McIntosh; Natalie Iwasa; and Marjorie Bonar. Your Committee received comments on this measure from Victor Lim, Hawaii Restaurant Association.

Your Committee finds that single-use plastic checkout bags present a hazard to the environment and that this measure addresses that hazard. Your Committee recognizes that there are other methods of addressing the harm that the unregulated proliferation of these bags cause and that this measure is one of several potential means. Your Committee also acknowledges the concerns raised in testimony regarding clarification of the prepared food exemption in the measure.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the exemption for bags used to protect prepared foods or bakery goods;
- (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 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. 1059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1059, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 184 Education on S.B. No. 934**

The purpose and intent of this measure is to:

- (1) Require the Department of Education to establish and implement a bullying and cyberbullying policy in all public schools;
- (2) Establish bullying and cyberbullying reporting requirements for all public and private schools;
- (3) Establish a misdemeanor offense of bullying or cyberbullying; and
- (4) Define the terms "bullying" and "cyberbullying".

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; the Hawaii State Teachers Association; Equality Hawai'i; the Hawai'i Women's Coalition; the Human Rights Campaign, and eight individuals. Your Committee received testimony in opposition to this measure from the Department of Education.

Your Committee finds that bullying and cyberbullying among students has a detrimental effect on students' academic achievement, as well as their psychological, social, and physical well-being. This measure seeks to provide students with greater protection against bullying and cyberbullying, both in and out of the school setting.

Your Committee has amended this measure by adding language to require the Department of Education and the Charter School Review Panel to each submit an annual report to the Legislature to include the status of the implementation of the policy established pursuant to this measure, statistics on bullying and cyberbullying, and the policy's impact on bullying and cyberbullying in schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 934, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Slom).

**SCRep. 185 (Majority) Education on S.B. No. 243**

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Western Interstate Commission for Higher Education (Hawaii WICHE);
- (2) Allow Hawaii WICHE to establish a repayment policy for students who receive financial support from certain funds appropriated for the Hawaii WICHE Professional Student Exchange Program; and
- (3) Establish a Professional Student Exchange Program Special Fund.

Your Committee received testimony in support of this measure from the Hawaii Western Interstate Commission for Higher Education. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

Your Committee finds that as currently written, chapter 304A, Part VII, Subpart D, Hawaii Revised Statutes, provides for the appointment of state commissioners to the Western Interstate Commission for Higher Education (WICHE) but does not provide for or allow the Hawaii commissioners to independently set conditions on students who participate in the Professional Student Exchange Program (PSEP). This measure will establish and define the Hawaii WICHE and give it the necessary authority to develop a repayment policy for PSEP students who decide not to return to Hawaii.

Currently five WICHE states have return requirements for students who benefit from participation in the PSEP. Studies find that states with these requirements have an average rate of return of seventy-four percent and states without return requirements have average rate of return of thirty-nine percent.

Last year, the State spent \$1,064,465 to subsidize the cost of professional education for Hawaii students in fields of study unavailable at local universities but in high demand in the State. The Hawaii WICHE commissioners should have the option of establishing return requirements to best meet the needs of both the students and the State as a whole.

Your Committee has amended this measure to clarify that the Hawaii commissioners are appointed both as the state commissioners for WICHE and as the Hawaii commissioners to the Hawaii WICHE Commission.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 243, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 186 (Joint) Education and Economic Development and Technology on S.B. No. 1217**

The purpose and intent of this measure is to establish a pilot project that expands the e-school program offered by the Hawaii Virtual Learning Network and the Department of Education to high school students at Lanai High and Elementary School.

Your Committees received testimony in support of this measure from the Department of Education and Hawaiian Electric Company, Inc.

Your Committees find that expansion of online learning opportunities will assist smaller and geographically remote schools by providing access to online courses and requisite courses for graduation for which funding is or may become unavailable under the weighted student formula.

As affirmed by the records of votes of the members of your Committees on Education 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. 1217 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 187 (Joint) Education and Public Safety, Government Operations, and Military Affairs on S.B. No. 813**

The purpose and intent of this measure is to, among other things:

- (1) Make the Interstate Compact on Educational Opportunity for Military Children permanent by removing the July 1, 2011, sunset date from Act 152, Session Laws of Hawaii 2009;
- (2) Delete the definition of "test period" within the Compact;
- (3) Delete provisions relating to furnishing of unofficial education records and principal's determination of available space; and
- (4) Clarify military representation on the State Council on Educational Opportunity for Military Children within the Board of Education.

Your Committees received testimony in support of this measure from the State of Hawaii Department of Defense; the Department of Education; the Military Interstate Children's Compact Commission; the Department of Defense State Liaison Office; the General Counsel for the Interstate Commission on Educational Opportunity for Military Children; The Chamber of Commerce of Hawaii; and the Military Officers Association of America, Hawaii Chapter. Your Committees also received proposed amendments from General Counsel for the Interstate Commission on Educational Opportunity for Military Children.

Your Committees find that frequent moves and deployment of military families create special challenges for children of military members. The Interstate Compact on Educational Opportunity for Military Children was designed to help overcome educational transition issues of children of military families and to help ease the strain on families due to deployment. This measure will make the Compact, which was enacted by Act 152, Session Laws of Hawaii 2009, permanent.

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 Education and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 813, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 813, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 188 Water, Land, and Housing on S.B. No. 735**

The purpose and intent of this measure is to convene a task force to review existing criteria that the Land Use Commission uses during the land use district boundary reclassification process.

Your Committee received testimony in opposition to this measure from the Office of Planning of the Department of Business, Economic Development, and Tourism; the Sierra Club, Hawai'i Chapter; and the Windward Ahupua'a Alliance. Your Committee received comments on this measure from the Department of Planning and Permitting of the City and County of Honolulu.

Your Committee finds that a review of the existing criteria that the Land Use Commission uses during its decision making process would help ensure that the Commission considers not only the immediate impacts of reclassifications, but also the cumulative and long-term impacts of its reclassification decisions.

Your Committee has heard the testimony of the Office of Planning expressing concerns that it is not able to undertake this task because it does not have the staff or fiscal resources to convene this task force. Your Committee finds that this issue raises concerns that merit further consideration and requests that your Committee on Ways and Means further examine those issues and concerns raised by the testifiers on this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 735 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 189 Water, Land, and Housing on S.B. No. 898**

The purpose and intent of this measure is to amend the allowable uses of Rental Housing Trust Fund monies to include moderate rehabilitation of rental units and to define "moderate rehabilitation".

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that including moderate rehabilitation among the allowable uses of Rental Housing Trust Fund monies will facilitate renovations to upgrade dwelling units to safe and sanitary conditions and aid in the replacement of building systems and components in danger of failure, thereby improving the quality of life for many of Hawaii's renters, especially low-income renters.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tokuda).

**SCRep. 190 Water, Land, and Housing on S.B. No. 901**

The purpose and intent of this measure is to appropriate funds for a landlord liaison project within the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of this measure from Catholic Charities Hawai'i and the Hawai'i Association of REALTORS. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that chronic homelessness in Hawaii is a serious problem and that the creation of a landlord liaison project modeled after a successful project in Washington State will help to alleviate this problem by removing many of the obstacles faced by homeless persons attempting to move into permanent housing.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 901 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 191 Water, Land, and Housing on S.B. No. 903**

The purpose and intent of this measure is to establish the Affordable Rental Housing Development Program to encourage and allow nonprofit organizations to acquire expiring United States Department of Housing and Urban Development or United States Department of Agriculture housing contracts in order to ensure that affordable rental housing projects remain affordable rental housing in perpetuity.

Your Committee received testimony in support of this measure from Catholic Charities Hawai'i. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that although the federal government helps support the production of affordable rental housing by providing subsidies to private owners of multifamily housing, the contracts to provide these subsidies expire over time and affordable housing is not permanently assured. Your Committee finds that this measure helps ensure the affordability of housing for qualified Hawaii residents.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 903 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 192 Water, Land, and Housing on S.B. No. 1184**

The purpose and intent of this measure is to establish an Infrastructure Development Loan Revolving Fund to be administered by the Department of Budget and Finance in order to provide no-interest loans for infrastructure improvements that support transit-oriented development.

Your Committee received testimony in support of this measure from the Department of Planning and Permitting of the City and County of Honolulu. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that while transit-oriented development offers many benefits to the State including pedestrian friendly communities and the reduction of traffic congestion, air pollution, urban sprawl, and dependence on imported oil, it also requires significant capacity upgrades of existing infrastructure. Your Committee recognizes that the State has a role in supporting transit-oriented development and that there is a need to provide another financing resource without unduly draining the state budget. This measure establishes a fund to address this need.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1184, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 193 (Majority) Water, Land, and Housing on S.B. No. 16**

The purpose and intent of this measure is to establish a loan guaranty for transit-oriented development projects that include affordable housing with a \$10,000,000 limit on the total principal amount of the guaranteed portion of all loans outstanding.

Your Committee received testimony in support of this measure from the Department of Planning and Permitting of the City and County of Honolulu and the Land Use Research Foundation of Hawaii. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Budget and Finance and the Hawaii Housing Finance and Development Corporation.

Your Committee finds that transit-oriented development can be a significant contributor to sustainable living, savings in transportation costs, and reductions in traffic congestion, air pollution, and dependence on imported oil. Your Committee recognizes, however, that transit-oriented development is associated with higher risk because of the multiple sources of financing required, the added costs of providing community benefits, and requirements that those benefits be provided sooner. These risks make affordable housing that is part of transit-oriented development more difficult to develop. This measure encourages transit-oriented development by offering loan guarantees to developers of transit-oriented development projects that include affordable housing components.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 16, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 16, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 194 Water, Land, and Housing on S.B. No. 1444**

The purpose and intent of this measure is to develop an Agricultural Use Development Plan to assess potential methods of improving the water quality of Lake Wilson.

Your Committee received comments on this measure from the Department of Land and Natural Resources and the Agribusiness Development Corporation.

Your Committee finds that the inflow of treated effluence into Lake Wilson has led to poor water quality that affects agricultural production. Water from Lake Wilson is currently used for tree crops, corn, and other production items that use water that contains R-2 effluent (disinfected secondary treated effluent). Water that contains R-1 effluent (disinfected tertiary treated effluent) can be used to grow any food crops, including all edible root crops where the recycled water comes in contact with the edible portion of the crop. Your Committee further finds that about 20,000 acres of land near Lake Wilson can be used for agricultural production. This land is currently limited to the aforementioned tree crops, corn, and other production items that can use R-2 water, contributing to the scarcity and reduced affordability of fresh produce grown within our State. Therefore, your Committee finds that the plan proposed under this measure takes an important step toward upgrading the effluent entering the lake, among other measures, to improve water quality and benefit agricultural production.

Your Committee has amended this measure by:

- (1) Changing the effective date of this Act to July 1, 2011, to implement the appropriation at the start of fiscal year 2011-2012; 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1444, 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, Shimabukuro).

**SCRep. 195 Water, Land, and Housing on S.B. No. 627**

The purpose and intent of this measure is to create the Hawaii Public Lands Development Corporation to make optimal use of public lands for the economic, environmental, and social benefit of the people of Hawaii.

Your Committee received testimony in support of this measure from Meadow Gold Dairies. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance. Your Committee received comments on this measure from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee finds that financial considerations should not undermine the fundamental purposes of the Department of Land and Natural Resources, which include the preservation and management of public lands. The Department's resources are currently absorbed by its expansive regulatory and enforcement duties. From a financial perspective, it is not feasible for the Department to devote its resources to land management and revenue raising projects. Your Committee further finds that the Hawaii Public Lands Development Corporation proposed by this measure would focus on management of the public lands, including implementing public lands development projects, and develop and implement projects that would generate revenues for the management of the public lands. The revenues would then be available to support the management of public lands, and the public lands development projects will preserve and maintain lands for the public.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2011, to coincide with the start of the fiscal year; 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 627, 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, Shimabukuro).

**SCRep. 196 Water, Land, and Housing on S.B. No. 695**

The purpose and intent of this measure is to:

- (1) Establish a program for granting no-interest loans in lieu of certain state low-income housing tax credits to developers of affordable rental housing who qualify for those tax credits; and
- (2) Authorize the issuance of general obligation bonds to fund the no-interest loans.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS; Stanford Carr Development, LLC; Albert C. Kobayashi, Inc.; and Royal Contracting Co., Ltd. Your Committee received testimony in opposition to this measure from the Tax Foundation of Hawaii. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development, and Tourism; the Department of Taxation; and the Department of Budget and Finance.

Your Committee finds that the State has a great need for affordable rental housing, as evidenced by the Hawaii Housing Policy Study, 2006 update, which projected a need of approximately 17,400 affordable rental housing units by 2015. The State Low-Income Housing Tax Credit Program, established pursuant to section 235-110.8, Hawaii Revised Statutes, can be a valuable financing tool to promote the development or substantial rehabilitation of affordable rental housing. Your Committee further finds that there is little demand for state low-income housing tax credits, thereby stalling the development and rehabilitation of affordable rental housing projects due to lack of project equity. Under these circumstances, the State Low-Income Housing Tax Credit Program is not able to create or preserve low-income rental housing as intended.

Your Committee also finds that the issuance of general obligation bonds to fund no-interest loans to developers will provide an efficient financing tool. Additionally, forgiveness of the loan after thirty years as an affordable rental housing project will provide a great incentive for the development and substantial rehabilitation of low-income rental housing.

Your Committee has amended this measure by:

- (1) Inserting language to describe the purpose and intent of this measure; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 695, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tokuda).



**SCRep. 197 Water, Land, and Housing on S.B. No. 1555**

The purpose and intent of this measure is to:

- (1) Establish the Public Land Development Corporation to create recreation and leisure areas while creating revenue-generating opportunities; and
- (2) Rehabilitate Ala Wai and Keehi Boat Harbors by imposing fees and directing the Department of Land and Natural Resources to enter into public-private partnerships to develop Ala Wai Boat Harbor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that public lands in certain areas may serve the State and its people better if managed and developed into suitable recreational and leisure centers where the public can congregate and where visitors to our State can go as part of their holiday experience. Creating the Public Land Development Corporation proposed by this measure as the development arm of the Department of Land and Natural Resources and placing appropriate public lands under the corporation may help to create recreation and leisure areas, while also creating revenue-generating opportunities to help maintain existing state recreation areas, such as small boat harbors and public restrooms at state recreation areas, which are in dire need of capital inflows.

Your Committee further finds that the Ala Wai and Keehi Boat Harbors are valuable assets for the future generations of our State, and that their condition should not be allowed to deteriorate. Allowing the limited issuance of commercial use permits for vessels with assigned mooring in Ala Wai and Keehi Boat Harbors would generate revenue that could be expended on costs related to the operation, upkeep, maintenance, and improvement of state small boat harbors. Similarly, providing for mooring fees would provide monies that could be expended on the same costs without unduly burdening state residents.

Your Committee also finds that public-private partnerships are a tried and true method of bringing benefits to the public by providing opportunities for interested stakeholders to contribute to the upkeep of public facilities. Therefore, a public-private partnership to improve the Ala Wai Boat Harbor can benefit the public while also benefiting the interested stakeholders who care for and use the boat harbor.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1555, 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, Shimabukuro).

**SCRep. 198 Water, Land, and Housing on S.B. No. 684**

The purpose and intent of this measure is to establish a Lake Wilson Task Force under the Department of Land and Natural Resources to assess the current condition of the waters of the lake and recommend action to improve the water quality.

Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that the inflow of treated effluence into Lake Wilson has led to poor water quality that affects agricultural production. Water from Lake Wilson is currently used for tree crops, corn, and other production items that can use water that contains R-2 effluent (disinfected secondary treated effluent). Water that contains R-1 effluent (disinfected tertiary treated effluent) can be used to grow any food crops, including all edible root crops where the recycled water comes in contact with the edible portion of the crop. Upgrading the effluent entering the lake, among other measures, can improve water quality and benefit agricultural production.

Your Committee further finds that improving the quality of water in Lake Wilson will lead to greater recreational opportunities, such as fishing, boating, and other water recreation activities.

Your Committee notes that the Department of Health submitted testimony indicating that the City and County of Honolulu recently issued notice to its contractor to proceed with the construction of the Wahiawa Wastewater Treatment Plant upgrade to enable the plant to produce R-1 quality water.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 684, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 684, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 199 Water, Land, and Housing on S.B. No. 1549**

The purpose and intent of this measure is to rehabilitate the Ala Wai and Keehi Boat Harbors by imposing fees and directing the Department of Land and Natural Resources to enter into a public-private partnership to lease and develop certain lands at the Ala Wai Boat Harbor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that the Ala Wai and Keehi Boat Harbors are in dire need of capital inflows for repair and maintenance. Your Committee further finds that Ala Wai and Keehi Boat Harbors may better serve the State and its people if they are properly repaired and maintained. Allowing the limited issuance of commercial use permits for vessels with assigned mooring in the Ala Wai and Keehi Boat Harbors would generate revenue that could be expended on costs related to the operation, upkeep, maintenance, and improvement of state small boat harbors. Similarly, providing for mooring fees would provide monies that could be expended on the same costs, without unduly burdening State residents.

Public-private partnerships are a tried and true method of bringing benefits to the public by providing opportunities for interested stakeholders to contribute to the upkeep of public facilities. Therefore, a public-private partnership to improve the Ala Wai Boat Harbor can benefit the occasional harbor user while also benefiting the interested stakeholders who care for and use the boat harbor on a regular basis.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1549, S.D. 1, and be 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, 2 (Fukunaga, Shimabukuro).

**SCRep. 200 Water, Land, and Housing on S.B. No. 143**

The purpose and intent of this measure is to appropriate monies for staffing and operating expenses for the Department of Land and Natural Resources' Dam Safety Program.

Your Committee received testimony in support of this measure from Alexander & Baldwin, Inc.; Hawaii Cattlemen's Council, Inc.; Land Use Research Foundation of Hawaii; Hawaii Farm Bureau Federation; and Maui County Farm Bureau. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that in 2009, General Fund appropriations for personnel and other operating expenses for the Department of Land and Natural Resources' Dam Safety Program were deleted from the state budget. Premised upon the need to raise the revenue necessary to run the Dam Safety Program, in 2010, the Department proposed the establishment of a new annual fee for all regulated dams throughout the State so that owners of dams would shoulder the burden of costs and expenditures required to upgrade their dams and reservoirs to meet regulatory and other requirements.

Your Committee recognizes that many dam and reservoir owners are private parties that are involved in the agriculture industry. These dam and reservoir owners maintain agricultural operations that are the backbone of many small communities across the state. Some of these small, agricultural communities share their infrastructure with agricultural operations owned by dam and reservoir owners.

Your Committee finds that imposing fees on dam owners would impact small, agricultural communities that depend on privately owned dams and reservoirs. Since the economics of private dam ownership would cease to be feasible, private owners would simply close dams and reservoirs. Small, agricultural communities would potentially lose jobs, and face increases in utility rates.

Cutbacks for agricultural operations will result in increased costs and fewer choices for Hawaii consumers, who receive tangential benefits from Hawaii's agricultural industry. Finally, cutbacks for agricultural operations would also force some owners of agricultural lands to divert their agricultural lands to other uses. Article XI, section III of the Hawaii State Constitution clearly directs the State to conserve and protect agricultural lands. Thus, your Committee finds that it is appropriate to fund the Dam Safety Program with a broad based source of revenue, such as General Fund monies.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 143, 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, Shimabukuro).

**SCRep. 201 (Majority) Economic Development and Technology on S.B. No. 1355**

The purpose and intent of this measure is to:

- (1) Adopt amendments to Hawaii tax laws to implement the Streamlined Sales and Use Tax Agreement, to take effect when the State becomes a party to the Streamlined Sales and Use Tax Agreement; and
- (2) Create a committee to oversee the Department of Taxation's implementation and administration of, and compliance with the Streamlined Sales and Use Tax Agreement.

Your Committee received testimony in support of this measure from the former President of the Streamlined Sales Tax Governing Board; The Federal Tax Authority; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Retail Merchants of

Hawaii; Hawai'i Association of REALTORS; and International Council of Shopping Centers. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation, Legislative Reference Bureau, and Tax Foundation of Hawaii.

Your Committee finds that this measure would alleviate the imbalance perceived by retailers throughout Hawaii, who see an increasing number of consumers browse their stores and ask clerks questions, only to go home and buy from online retailers to save on the general excise tax. Over time, the vanishing general excise tax revenue has hurt not only the State, which is losing the excise tax proceeds, and local retailers, who are losing business, but Hawaii residents themselves, as the loss of general excise tax revenue has resulted in dramatic cuts to local government services.

Your Committee further finds that by adopting this measure, Hawaii would send a clear message to Congress that it is time for federal action to correct the growing inequity between local retailers that are required to collect sales taxes and online retailers that are not. Doing so would shift the burden of calculating, reporting, and remitting taxes on online purchases from individual consumers to online retailers, and ensure that local communities begin receiving the tax revenue they are due.

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. 1355 and recommends that 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. 202 (Joint) Economic Development and Technology and Public Safety, Government Operations, and Military Affairs on S.B. No. 640**

The purpose and intent of this measure is to require:

- (1) The independent audit of the Wireless Enhanced 911 Fund to be conducted annually rather than biannually, with the initial annual audit to be conducted in 2011 and the results to be reported to the Legislature in 2012; and
- (2) That information on the status of projects undertaken or planned by public safety answering points, and the results of the annual independent audit, be included in the Wireless Enhanced 911 Board's annual report to the Legislature.

Your Committees received testimony in support of this measure from the Wireless Enhanced 911 Board.

Your Committees find that as communication technology advances, systems and equipment costs will increase, and the Wireless Enhanced 911 Fund monies will be critical to meet these emerging needs. Requiring an annual audit and specific reporting on the status of projects will enable the Legislature and the Wireless Enhanced 911 Board to make informed decisions regarding the upgrades most critical to meet public safety needs.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 640 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 203 Economic Development and Technology on S.B. No. 237**

The purpose and intent of this measure is to provide greater protection for victims of cyberbullying by establishing an offense of harassment by cyberbullying, with the first or second offense as a misdemeanor, and a third or any subsequent offense as a class C felony.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

The Department of the Prosecuting Attorney has testified that establishing an offense of harassment by cyberbullying is unnecessary, as current harassment laws would be more than sufficient, and recommended additions to the definition of "electronic communication" to encompass language in this measure.

Your Committee has amended this measure accordingly, by:

- (1) Deleting the proposed offense of harassment by cyberbullying; and
- (2) Expanding the types of electronic communication applicable to the current law relating to various offenses of harassment to include the Internet, cell phone, personal digital assistance device, or any wireless hand-held device.

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. 237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 237, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 204 Economic Development and Technology on S.B. No. 318**

The purpose and intent of this measure is to appropriate funds to the Department of Business, Economic Development, and Tourism to update the 2008 report "Innovation and Technology in Hawaii: An Economic & Workforce Profile".

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and one individual.

Your Committee finds that the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism co-authored the 2008 study, in partnership with the Hawaii Science and Technology Council, through a \$200,000 legislative appropriation. Since that time, the Department has been updating the progress of the technology sector only in terms of employment growth, and the most recent update was released in December 2010.

The funding in this measure would allow the Department to conduct a more comprehensive study and include other innovation and technology industry indicators such as research and development expenditures, the value of products and services produced, and company profiles.

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. 318, S.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, none.

**SCRep. 205 (Joint) Economic Development and Technology and Education on S.B. No. 776**

The purpose of this measure is to establish the Biotechnology Task Force within the University of Hawai'i to assess barriers faced by businesses engaged in biotechnology research or other activities, and develop recommendations and any legislation required to expedite permit processing for the specialized needs of biotechnology businesses. The intent of this measure is to support Hawai'i's growing biotechnology industry.

Your Committees received testimony in support of this measure from the University of Hawai'i System, the American Society for Microbiology Hawaii Branch, Hawaii Biotech Inc., and more than twenty-four individuals.

Your Committees find that Hawai'i's biotechnology industry has the ability to contribute significantly to both Hawai'i's economy and the State's status as a research center, particularly in the area of tropical medicine. However, it is your Committees' understanding that in order to conduct this research it often requires the importation of microorganisms. Consequently, the inability of the researchers to import the microorganisms due to the state permitting requirements has severely impacted the work of the researchers. Your Committees understand that in some cases, scientists have encountered lengthy delays of up to eight years in the processing of permits and approval decisions by state regulatory agencies. This, in turn, has impaired the researchers' ability to sustain critical funding and has reduced their competitive advantage for renewal of research grants and industrial collaborations.

Your Committees are strongly supportive of Hawai'i's biotechnology industry and the opportunities the industry holds for economic growth and greater prestige for the State as a research center.

Your Committee has amended this measure by:

- (1) Clarifying that the Biotechnology Task Force membership is not limited to those entities named in this measure;
- (2) Adding an unspecified appropriation for fiscal year 2011-2012 to be expended by the University of Hawai'i for the operations of the task force;
- (3) Changing the effective date from upon approval to July 1, 2011, to reflect the beginning of the 2011-2012 fiscal year; and
- (4) 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 Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 776, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 776, 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, none.

**SCRep. 206 (Joint) Economic Development and Technology and Education on S.B. No. 1132**

The purpose and intent of this measure is to establish digital media enterprise subzones as unspecified geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones, and to establish tax benefits for digital media businesses that employ Hawaii residents.

Your Committees received testimony in support of this measure from one individual. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i System; Department of Taxation, and Tax Foundation of Hawaii.

Your Committees find that the University of Hawai'i plans to extend digital media programs and establish an applied baccalaureate degree in this field at the University of Hawaii - West O'ahu. This measure would assist the campus in its development of program pathways related to creative media.

Your Committees have heard a number of related measures and believe the merits all require further deliberation. Your Committees have amended this measure accordingly, by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) 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 Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1132, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1132, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Solomon).

**SCRep. 207 (Joint) Economic Development and Technology and Education on S.B. No. 1133**

The purpose and intent of this measure is to establish digital media enterprise subzones as unspecified geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones and to establish tax benefits for digital media infrastructure development and operation.

Your Committees received testimony in support of this measure from SHM Partners and one individual. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i System; Office of Information Practices; Department of Taxation, and Tax Foundation of Hawaii.

Your Committees find that the University of Hawai'i plans to extend digital media programs and establish an applied baccalaureate degree in this field at the University of Hawaii - West O'ahu. This measure would assist the campus in its development of program pathways related to creative media.

Your Committees have heard a number of related measures and believe the merits all require further deliberation. Your Committees have amended this measure accordingly, by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) 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 Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1133, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1133, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Solomon).

**SCRep. 208 Economic Development and Technology on S.B. No. 1411**

The purpose of this measure is to provide tax credits for the investment, transportation expenditures, and certain payroll costs associated with a qualified live musical or theatrical production or qualified musical or theatrical facility infrastructure project. The intent of this measure is to establish Hawaii as a primary location in which to debut a live musical or theatrical production and in which to base a production company.

Your Committee received testimony in support of this measure from the International Alliance of Theatrical and Stage Employees Local 665 and two individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and the Tax Foundation of Hawaii.

Your Committee finds that the lingering economic downturn has had a profound effect on Hawaii's arts, music, and creative community as funding sources have disappeared or been significantly reduced. The essential support that this measure would provide through a tax credit for qualified live musical or theatrical productions or musical or theatrical facility infrastructure projects would help to stem these losses, while establishing Hawaii as an esteemed venue for musical and theatrical productions.

Your Committee has heard a number of related measures and believes the merits of all require further deliberation. Your Committee has amended this measure accordingly, by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1411, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 209 Hawaiian Affairs on S.B. No. 985**

The purpose and intent of this measure is to appropriate funds for the fiscal biennium budget of the Office of Hawaiian Affairs.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Native Hawaiian Legal Corporation, Ko'olaupoko Hawaiian Civic Club, and Na Pua No'eau.

Your Committee finds that the primary purpose of the General Fund monies appropriated to the Office of Hawaiian Affairs is to provide a broad range of assistance to Native Hawaiians in the areas of social services, legal representation and services, and educational enrichment programs for Native Hawaiian children in grades K through 12. Your Committee further finds that the Office of Hawaiian Affairs has responded to the lingering economic downturn by developing a more proactive advocacy strategy and

streamlining its operations as a performance-based organization. In addition, the budget request for General Fund monies remains at the same level as the current biennium appropriation.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 985 and recommends that 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, 3 (English, Hee, Slom).

**SCRep. 210 Hawaiian Affairs on S.B. No. 986**

The purpose of this measure is to create a task force, administratively attached to the Office of Hawaiian Affairs, to lessen the instances of the people of Hawaii, especially Native Hawaiians, becoming entangled in the criminal justice system and to appropriate funds for the task force. The intent of this measure is to formulate policies and procedures to eliminate the disparate treatment of all peoples in Hawaii's criminal justice system, with a particular focus on Native Hawaiians.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, and three individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu and one individual.

Your Committee finds that the report entitled "The Disparate Treatment of Native Hawaiians in the Criminal Justice System", notes that the number of Native Hawaiians in the criminal justice system accumulates at each stage from arrest through parole. While Native Hawaiians are arrested at a comparable rate to other populations, they are more likely to be incarcerated, have longer sentences, or have their parole revoked.

Your Committee further finds that actions to address the findings in the report are long overdue and looks forward to receiving the recommendations for cost-effective mechanisms, legislation, and policies to reduce or avoid unnecessary involvement with the criminal justice system.

Your Committee has amended this measure by:

- (1) Changing the effective date from upon approval to July 1, 2011, to reflect the date the fiscal year begins; 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 986, 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, 3 (English, Hee, Slom).

**SCRep. 211 Hawaiian Affairs on S.B. No. 981**

The purpose of this measure is to require members of appropriate state councils, boards, and commissions to undergo training conducted by the Office of Hawaiian Affairs on Native Hawaiian and Hawaiian rights and the source of these rights. The intent of this measure is to assist the council, board, and commission members in understanding how infringement of these rights impacts the native Hawaiian and Hawaiian people.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Native Hawaiian Legal Corporation, Association of Hawaiian Civic Clubs, and one individual. Your Committee received testimony in opposition to this measure from one individual. The Department of Land and Natural Resources submitted comments.

Your Committee finds that certain councils, boards, and commissions administer public trust resources and programs that directly impact Native Hawaiian traditional and customary rights, natural resource protection and access rights, and the public trust. However, despite the broad range of expertise and experience of the individuals selected to serve on these councils, boards, and commissions, your Committee finds that many members may not possess knowledge of the unique rights and responsibilities that relate to the Native Hawaiian community. The training course, which would incorporate instruction from resource individuals with legal, historical, and cultural expertise, is intended to address this deficiency.

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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 981, 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, 3 (English, Hee, Slom).

**SCRep. 212 (Joint) Human Services and Public Safety, Government Operations, and Military Affairs on S.B. No. 1294**

The purpose and intent of this measure is to repeal section 352-28, Hawaii Revised Statutes, which authorizes the Executive Director of the Office of Youth Services, with the approval of the Family Court, to transfer a committed youth from the Hawaii Youth Correctional Facility to an adult correctional facility.

Your Committees received testimony in support of this measure from the Department of Human Services, Office of Youth Services, Community Alliance on Prisons, and three individuals.

Your Committees find that this measure will ensure that youth committed to the Hawaii Youth Correctional Facility will not be transferred, for disciplinary or other reasons, to adult correctional facilities, where they would be exposed to serious adult offenders and subjected to possible physical, mental, and sexual assault.

Your Committees further find that this measure will simplify Hawaii's efforts to comply with the federal Juvenile Justice Delinquency Prevention Act, which requires that juveniles being securely detained must be "sight and sound" separate from adult detainees. Violation of this requirement would jeopardize future federal funding.

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 Human Services and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1294, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1294, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Ryan, Slom).

**SCRep. 213 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 894**

The purpose and intent of this measure is to require that the cost of hearing aids be covered by private health insurers.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board, Assistive Technology Resource Centers of Hawaii, and ten individuals. Your Committees received testimony in opposition to this measure from Hawaii Association of Health Plans. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and Kaiser Permanente.

Your Committees find that hearing aids can cost more than \$2,000, which is an expense beyond the reach of many households. Your Committees further find that private health insurance plans provide partial coverage for eyeglasses to correct vision. Some health insurance plans provide partial coverage for hearing aids. However, Medicare and most private insurance companies do not cover the cost of hearing aids through their base health care coverage. As a result, it is not unusual for people with hearing loss to choose not to purchase hearing aids because these expensive devices are not covered by insurance.

Your Committees also find that hearing is an equally important sense upon which an individual depends for communication, so an individual with hearing loss should have some coverage for hearing aids through a private insurance carrier.

Your Committees have heard the concerns regarding mandating health plans to expand benefits and the need for a study related to the social and financial effects of requiring health insurers to offer coverage for hearing aids. Your Committees believe that these concerns merit further discussion by the Committee on Ways and Means.

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 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. 894, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 894, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 214 Human Services on S.B. No. 210**

The purpose of this measure is to authorize the issuance of general obligation bonds and to appropriate funds as a grant to Palolo Chinese Home for the expansion, construction, and rebuilding of its facilities. The intent of this measure is to provide funds to the Palolo Chinese Home to allow it to expand its programs and services for Hawaii's growing elderly population and others in need.

Your Committee received testimony in support of this measure from the Palolo Chinese Home.

Your Committee finds that for more than one hundred years, the Palolo Chinese Home has been providing shelter and care to Hawaii's senior citizens. Your Committee further finds that as the Palolo Chinese Home continues to increase its programming and services to address the needs of the community it serves, this measure will provide much needed funding for the Palolo Chinese Home's expansion plans.

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. 210 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 215 Human Services on S.B. No. 947**

The purpose and intent of this measure is to restore funding to the Homeless Programs Office of the Department of Human Services.

Your Committee received testimony in support of this measure from the Department of Human Services, Partners In Care, Waianae Community Outreach, Catholic Charities Hawai'i, Chancery Office of the Roman Catholic Diocese of Honolulu, St. Stephen Diocesan Center, and one individual.

Your Committee finds that homelessness is the resulting condition of Hawaii's most vulnerable. Your Committee further finds that according to a 2010 report, some 13,886 adults and children in Hawaii experienced homelessness. This represents a three percent increase from a year ago.

Your Committee also finds that the Homeless Programs Office provides services that are critical to the homeless safety net, including developing programs and transitional facilities, providing shelter and social services, providing policy direction for homeless programs, including implementation of the statewide continuum of care, and integrating federal grant resources with state resources to provide that continuum of care.

Your Committee further finds that a lack of resources has severely limited the ability of the Homeless Programs Office to meet the needs of the growing homeless population. Last fiscal year, it lost over half of its positions due to a reduction-in-force and its operating budget was reduced by millions of dollars, despite the temporary benefit of federal stimulus funds.

Your Committee additionally finds that the Homeless Programs Office is now working with a staff of three. Although some functions have been successfully outsourced to avoid default with federal requirements, which would trigger a loss of federal funds, the Homeless Programs Office is barely sustaining itself operationally and financially.

Your Committee finds that the Homeless Programs Office is seeking restoration and funding of three additional positions—one Office Assistant III and two Homeless Programs Specialists. Funding for the Office Assistant III position is \$27,756 annually. Funding for each Homeless Programs Specialist would be \$43,824 annually. The total amount for the three positions is \$115,404 annually, and your Committee recommends an appropriation for this total amount to allow the office to continue its vital operations.

Your Committee notes that \$3,113,596 is also needed for ongoing operations of existing shelters, plus two new shelters in Kona. Homeless numbers on the island of Hawaii have been growing and only one shelter in Hilo is currently available.

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. 947 and recommends that 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 (Slom).

**SCRep. 216 Human Services on S.B. No. 921**

The purpose and intent of this measure is to allow a provider of medical services to provide emergency shelter and related services to a minor, under certain circumstances, to protect the health and safety of the minor.

Your Committee received testimony in support of this measure from the Office of Youth Services; Hawaii Youth Services Network; Hale Kipa, Inc.; Hawaii Foster Youth Coalition; American Civil Liberties Union of Hawai'i; and Planned Parenthood of Hawaii.

Your Committee finds that some youth lack regular nighttime residence and related services. Some youth choose to leave their homes for a variety of reasons, while others may be denied housing by their parent, legal guardian, or custodian. These youth may not be abused, neglected, or subject to imminent harm, and therefore are not eligible for services offered by the Department of Human Services.

Your Committee further finds that the number of youth who cannot obtain parental or guardian consent for shelter admission is small, but the consequences when youth are forced to remain on the street are severe. These youth are at high risk for physical or sexual assault, poor nutrition, inadequate health care, and inability to attend school.

Your Committee also finds that admitting a youth to a shelter assures the youth a safe place to stay and also allows the shelter staff to begin the process of addressing the family issues that led to the youth leaving home. Family counseling can be initiated to facilitate the youth's safe return home, or if that is not in the best interest of the youth, alternative housing can be arranged.

Additionally, your Committee finds that it is in the best interest of a youth to be provided with adequate emergency shelter and related services in lieu of returning to the streets.

Your Committee has amended this measure by requiring the provider to make a good faith effort to contact the minor's parent, legal guardian, or custodian to obtain consent for emergency shelter and related services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 921, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 217 Human Services on S.B. No. 217**

The purpose of this measure is to eliminate the statute of limitations for civil actions brought by persons subjected to sexual offenses as a minor and to revive, for one year, certain actions for which the statute of limitations had previously lapsed. The intent of this measure is to give certain victims of sexual abuse additional time to seek civil compensation.



Your Committee received testimony in support of this measure from The Sex Abuse Treatment Center and four individuals. Your Committee received testimony in opposition to this measure from the Hawaii Catholic Conference. Your Committee received comments on this measure from the Benjamin N. Cardozo School of Law, Yeshiva University.

Your Committee finds that victims of sexual abuse, particularly minors, often need time to deal with the trauma of the abuse and frequently by the time a victim has dealt with the effects of the abuse, the statute of limitations to file a civil complaint against the perpetrator has tolled. Your Committee further finds that this measure will further enable victims who were subjected to sexual offenses as a minor to hold perpetrators of sexual offenses civilly accountable for their acts.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 217, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 218 Human Services on S.B. No. 1232**

The purpose and intent of this measure is to amend various sections of chapter 576D, Hawaii Revised Statutes, to bring the Child Support Enforcement Agency into compliance with federal law.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that recent amendments made to federal regulations require that all states provide Title IV-D services to tribal IV-D agencies and foreign countries as defined under federal regulations. Failure to comply with this federal requirement would jeopardize federal funding of the Child Support Enforcement Agency and federal funding for Temporary Assistance for Needy Families programs. Your Committee finds that this measure is necessary to maintain eligibility for federal funding.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1232, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 219 Human Services on S.B. No. 897**

The purpose and intent of this measure is to address the needs of the growing homeless population in Hawaii and to increase the inventory of affordable rental housing.

Your Committee received testimony in support of this measure from Hawaii Catholic Conference, Catholic Charities Hawai'i, Chancery Office of the Roman Catholic Diocese of Honolulu, St. Stephen Diocesan Center, and one individual. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that a 2010 Homeless Service Utilization Report prepared by the Center on the Family at the University of Hawai'i and the Homeless Programs Office of the Department of Human Services revealed that statewide, there are 13,886 people who experience homelessness. Your Committee also finds that this represents an increase of three percent from just a year ago. The report also revealed that six hundred forty-six persons deemed themselves to be at risk of homelessness or precariously housed because they are three monthly paychecks away from homelessness.

Your Committee further finds that Hawaii's limited rental housing stock and the growing population have resulted in high rental housing costs. Without affordable rentals, homeless persons who are ready to transition from shelters to permanent housing have nowhere to go, which in turn leaves shelters unable to take in the growing numbers of new residents who become homeless. This results in a growing population of unsheltered homeless and a higher demand for homeless programs and services.

Your Committee also finds that the ability of the State's Homeless Programs Office to meet the needs of the growing homeless population has been limited by a consistent lack of resources over the years. The recent economic downturn has made a dire situation critical, due to budget cuts and the reductions-in-force of needed positions.

Your Committee has amended this measure by:

- (1) Including the Homeless Programs Office of the Department of Human Services and the Hawaii Association of Realtors as two additional entities who shall:
  - (A) Work together to conduct the survey to identify and inventory vacant state-owned, state-managed, and other government and privately-owned or managed vacant housing units statewide that could be used as affordable rental housing; and
  - (B) Report to the Governor and the Legislature on the results of the survey conducted under this measure;
- (2) Requiring an annual report, no later than twenty days prior to the convening of each Regular Session, to the Governor, the Legislature, and, if established by the Legislature during the 2011 Regular Session, an interagency council on homelessness tasked with formulating and coordinating a unified plan to address homelessness in Hawaii; and

- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 897, S.D. 1, and be referred to the Committee on Water, Land, and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 220 Human Services on S.B. No. 951**

The purpose and intent of this measure is to establish a Universal Children's Savings Account Pilot Project for Medicaid-eligible children who are enrolled in Hawaii's QUEST program.

Your Committee received testimony in support of this measure from 'Ohana Health Plan, Hawai'i Alliance for Community-Based Economic Development (HACBED), Hawaii Credit Union League, Hawaiian Community Assets, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that healthy children and adults are less likely to live in poverty. Studies show that children who are raised with good health behaviors, including annual doctor check-ups, are more likely to continue that behavior as adults. Healthier children are less likely to grow up obese or suffer from alcoholism and substance abuse, factors which contribute to the continued cycle of poverty.

Your Committee further finds that health service initiatives under the Children's Health Insurance Program are activities that protect the public health, protect the health of individuals, improve or promote the State's capacity to deliver public health services, or strengthen the human and material resources necessary to improve the health of children, including low-income children.

Your Committee also finds that asset building is an approach to fostering financial independence. It provides individuals with tangible incentives to save, and can help them gain financial success. Asset building is essential because it provides financial security against difficult times, allows people to create economic opportunities for themselves, and leaves a legacy for future generations to have a better life. Your Committee finds that the Universal Children's Savings Account Pilot Program supports savings and asset building for children in Hawaii.

Your Committee understands the concerns regarding the use of only health services monies to contribute to the Universal Children's Savings Account, in which case the monies may only be used for health-related expenses, as opposed to the use of additional state or private funds, in which case the monies may be utilized for health-related and other purposes. Your Committee notes that if outside funding is permitted, it would be helpful to expand the savings goals to include funds for education, down payments on homes, retirement, starting a business, or purchase of a vehicle.

Your Committee finds that there is a discrepancy across testimony received by your Committee regarding whether the State of Hawaii would be required to contribute twenty-five percent of the funding for the Universal Children's Savings Account Pilot Program. Your Committee believes this discrepancy merits further discussion by the Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Adding a provision that states that funds in universal children's savings accounts may be used for health-related purposes only; provided that if additional sources of funds become available and are deposited into the accounts in compliance with applicable laws, regulations, and rules regarding the use of federal health services monies, the additional deposited funds may also be used for purposes other than health-related purposes; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 951, 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 (Slom).

**SCRep. 221 Human Services on S.B. No. 904**

The purpose and intent of this measure is to require the Department of Human Services to locate suitable properties for a Housing First program to implement affordable rental housing projects.

Your Committee received testimony in support of this measure from Catholic Charities Hawai'i, Chancery Office of the Roman Catholic Diocese of Honolulu, Hawaii Catholic Conference, St. Stephen Diocesan Center, Hawaii Family Forum, Waianae Community Outreach, the Drug Policy Forum of Hawai'i, Hawaii Housing Alliance, and one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that Housing First, also known as rapid re-housing, is a recent innovation in human service programs regarding the treatment of the homeless. Housing First is an alternative to a system of emergency shelters and transitional housing progressions. Rather than moving homeless individuals through different levels of housing on the way to independent living, Housing First moves homeless individuals immediately to their own apartments. By creating a stable housing environment, other issues can be addressed that impact the household including employment, job training, and health care.

Your Committee further finds that the Housing First model has been very successful in many areas of the Mainland. Housing First has a good record with assisting homeless people gain permanent housing and providing the services needed to successfully transition homeless people off the streets.

Your Committee also finds that section 346-378, Hawaii Revised Statutes, requires the Department of Human Services, in consultation with the United States Department of Housing and Urban Development, to implement Housing First programs and services. Your Committee finds this measure to be an effective way of implementing Housing First programs.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 904, 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 (Slom).

**SCRep. 222 Human Services on S.B. No. 909**

The purpose and intent of this measure is to prohibit discrimination that is based on the use of a lawful source of income in real estate transactions, including advertisements for available rental units.

Your Committee received testimony in support of this measure from Hawaii Public Housing Authority. Your Committee received testimony in opposition to this measure from Hawai'i Association of Realtors; Oahu Chapter of the National Association of Residential Property Managers; RE/MAX Kai Lani; Property Profiles, Inc.; Mark DeCastro Realty & Associates, LLC; Bev's Rentals & Sales; Lui & Young Realty, Inc.; Woodstock Properties, Inc.; Kapolei Realty, Inc.; South Shore Realty, Inc.; Marie Hansen Properties; West Oahu Realty, Inc.; Cornerstone Properties; Harry Z. Kiyabu Realty, LLC; Ainalani Realty, LLC; B.Y. Realty Management & Sales; and four individuals. Your Committee received comments on this measure from Hawai'i Civil Rights Commission.

Your Committee finds that low-income individuals have an extremely difficult time finding affordable rentals in Hawaii. This situation is made more frustrating when housing vacancy advertisements discourage people from applying by advertising "no Section 8 accepted".

Your Committee also finds that Hawaii's laws currently do not prohibit discrimination that is based on the use of a lawful source of income in real estate transactions. However, a number of other states, including California and Oregon, have prohibited lawful income based discrimination. Renters who participate in government assistance programs, such as the federal Housing Choice Voucher Program, also known as Section 8 Housing, should have an equal opportunity to find housing.

Your Committee has heard the concerns regarding the delay, costs, added time, and complications associated with Section 8 Housing. Your Committee has also heard the concerns regarding the complexities and economic costs this measure may impose on small landlords. Accordingly, your Committee believes those concerns merit further discussion by the Committee on Judiciary and Labor.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion of this 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 909, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 909, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 223 Human Services on S.B. No. 912**

The purpose and intent of this measure is to appropriate funds for the creation of a landlord liaison project.

Your Committee received testimony in support of this measure from Aloha United Way, Hawai'i Association of Realtors, Catholic Charities Hawai'i, Chancery Office of the Roman Catholic Diocese of Honolulu, and Hawaii Catholic Conference. Your Committee received comments on this measure from the Department of Human Services and the Hawaii Public Housing Authority.

Your Committee finds that chronic homelessness in Hawaii is a serious problem. One of the many barriers faced by homeless persons is the lack of available rental housing. Your Committee further finds that King County, in Washington State, created a landlord liaison project in March 2009 to help homeless clients obtain private market rental housing. The project created incentives for landlords to relax their screening criteria for homeless people who face barriers in accessing permanent housing.

Your Committee also finds that in the first ten months of the project, the King County project was quite successful. One hundred forty-seven households were placed in permanent housing, and ninety-six percent of the client households retained their housing six months after moving in.

Your Committee additionally finds that there is currently a landlord liaison program administered by the Homeless Programs Office of the Department of Human Services. The landlord liaison program is funded with Temporary Assistance for Needy Family (TANF) allocations, and therefore, participants are restricted to TANF-eligible families.

Your Committee also finds that Hawaii would greatly benefit by funding a housing placement program that uses criteria similar to the landlord liaison project in King County, Washington. Your Committee finds such a program would help increase the availability of rental housing for persons who face obstacles in moving from homelessness to permanent housing and persons with lower incomes who need to find affordable rental housing. Your Committee finds the General Fund will provide the funding for the housing placement program; therefore participation will not be restricted based on TANF eligibility.

Your Committee has amended this measure by:

- (1) Amending the purpose of the appropriation under this measure from the creation and funding of a landlord liaison project to the funding of the housing placement program within the Homeless Programs Office of the Department of Human Services and making conforming amendments to section 1 of this measure;
- (2) Changing the appropriation amount from an unspecified sum to \$2,000,000 for each year of the fiscal biennium; and
- (3) Changing the expending agency from the Hawaii Public Housing Authority to the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 912, 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 (Slom).

**SCRep. 224 Human Services on S.B. No. 209**

The purpose and intent of this measure is to authorize the issuance of up to \$40,000,000 in special purpose revenue bonds to assist Palolo Chinese Home, a Hawaii not-for-profit corporation.

Your Committee received testimony in support of this measure from Palolo Chinese Home. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that Palolo Chinese Home has been providing shelter and care to Hawaii's seniors since 1896. Palolo Chinese Home is Hawaii's largest and second oldest adult residential care home.

Your Committee further finds that Act 118, Regular Session of 2005, authorized the Department of Budget and Finance to issue special purpose revenue bonds not to exceed \$40,000,000 for the purpose of assisting Palolo Chinese Home to finance the expansion, construction, and rebuilding of its health care facilities. Your Committee also finds that Palolo Chinese Home was not able to access bond financing before funding lapsed.

Additionally, your Committee finds that this measure will give Palolo Chinese Home access to additional construction funds and enable Palolo Chinese Home to consolidate the financing of its redevelopment efforts.

Your Committee has amended this measure by extending the lapse date of the authorization to issue special purpose revenue bonds to June 30, 2016; this provides for a maximum authorization period of five years from the date of enactment.

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. 209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 209, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 225 Human Services on S.B. No. 900**

The purpose and intent of this measure is to establish the Hawaii Interagency Council on Homelessness and to make an appropriation for its administrative expenses.

Your Committee received testimony in support of this measure from American Civil Liberties Union of Hawai'i, Chancery Office of the Roman Catholic Diocese of Honolulu, and one individual. Your Committee received comments on this measure from the Department of Human Services and Catholic Charities Hawai'i.

Your Committee finds that homelessness is a societal problem that has plagued Hawaii and the nation for many years. Although your Committee believes that great strides have been made in addressing the issue of homelessness, Hawaii has experienced an increase in the number of homeless persons. Homelessness remains a complex issue, and solutions need to involve coordination, planning, implementation, and funding among state and county agencies, non-profit entities, and the federal government.

Your Committee further finds that in June 2010, the cabinet secretaries from the federal Departments of Housing and Urban Development, Labor, Health and Human Services, and Veterans Affairs joined the United States Interagency Council on Homelessness, which comprises nineteen federal agencies to coordinate the nation's housing, health, employment security, education, and human services functions and to create a national partnership between every level of government and the private sector to maximize the effectiveness of the federal government's response in addressing homelessness.

Your Committee additionally finds that the United States Interagency Council on Homelessness unveiled and submitted to the President and Congress the nation's first comprehensive strategic plan to prevent and end homelessness – a plan that the federal government describes as the most far-reaching and ambitious program in history to prevent and end homelessness. Working together with Congress, state and local officials, faith-based and community organizations, and business and philanthropic leaders across the country, the plan will harness public and private resources to build on proven local level innovations.

Your Committee also finds that Hawaii must have in place a mechanism similar to the United States Interagency Council on Homelessness to formulate and coordinate a unified plan to address homelessness in all counties and facilitate the acquisition of federal funding for homeless programs. The United States Interagency Council on Homelessness recommends that the states establish such a state agency whether by legislative action or executive order, or both.

Your Committee has heard the concerns regarding the Department of Human Services' ability to effectively administer and implement a statewide interagency council on homelessness and believes this issue merits further discussion by the Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Amending section 3 of this measure to include designees from the Hawaii Public Housing Authority, Hawaii Housing Finance and Development Corporation, Hawaii Community Development Authority, and the Hawai'i Association of Realtors to serve on the Hawaii Interagency Council on Homelessness; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 900, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 226 Human Services on S.B. No. 788**

The purpose and intent of this measure is to:

- (1) Require the Department of Human Services to provide Medicaid presumptive eligibility to patients who have been waitlisted for long-term care until July 1, 2016;
- (2) Require the Department of Human Services to conduct a study that examines the potential implementation of a computerized system to process Medicaid applications; and
- (3) Appropriate funds to the Department of Human Services to cover the cost of any reimbursements made to providers or plans for services provided during the time that waitlisted patients are enrolled and eventually disenrolled due to a determination of ineligibility.

Your Committee received testimony in support of this measure from Kaiser Permanente, the Healthcare Association of Hawaii, Hawai'i Pacific Health, The Queen's Medical Center, the Hawaii Coalition for Health and Hawaii Congress of Physicians, Hawaii Disability Rights Center, and an individual. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that Hawaii hospitals have lost millions of dollars due to delays in discharging patients waitlisted for long-term care. Waitlisting is undesirable because it represents an inappropriate quality of care for the patient and creates a serious financial drain on hospitals. Discharge time frames for waitlisted patients can range from days to over a year.

Your Committee further finds that the Medicaid eligibility and re-eligibility application process in Hawaii is unable to handle the current volume of applications. Developing a long-term solution to severe problems associated with processing Medicaid applications would ease some of the burden that is placed on hospitals due to the limitations in Hawaii's Medicaid eligibility process.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 788, 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 (Slom).

**SCRep. 227 Human Services on S.B. No. 978**

The purpose and intent of this measure is to provide funds to establish a new information technology system for determining Medicaid eligibility within the State, and to take advantage of the opportunity presented by the provision of federal funding for this purpose.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Medical Service Association, Healthcare Association of Hawaii, and Hawai'i Primary Care Association.

Your Committee finds that the federal Affordable Care Act requires significant modifications to government health care programs. By January 1, 2014, states must establish a functional health insurance exchange. States are required to use the information from applications submitted through the exchange to determine eligibility for Medicaid. Your Committee also finds that Hawaii's current twenty-three year old information technology system for determining Medicaid eligibility is not capable of performing the functions required by the Affordable Care Act.

Your Committee further finds that numerous states are facing issues presented by antiquated Medicaid-related information technology systems. Fortunately, the United States Centers for Medicare and Medicaid Services is expected to make available ninety percent federal matching funds for specific types of eligibility system upgrades. Your Committee additionally finds that providing sufficient funding to the Department of Human Services will enable the State to comply with the Affordable Care Act requirements regarding eligibility screening.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 978, 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 (Slom).

**SCRep. 228 Human Services on S.B. No. 964**

The purpose and intent of this measure is to ensure that federally qualified health centers and rural health clinics are reimbursed for all Med-QUEST programs by appropriating funds to pay for direct medical care to the uninsured.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, Hawai'i Primary Care Association, Kookaa Kalihi Valley Comprehensive Family Services, and one individual. Your Committee received testimony in opposition to this measure from the Department of Human Services and the Department of Health.

Your Committee finds that federally qualified health centers and rural health clinics play an important role in the Medicaid delivery system. In order to continue to provide quality health care to over 125,000 patients, the financial position of federally qualified health centers and rural health clinics must be improved. Your Committee also finds that these providers serve a key role in delivering primary health care services, particularly in rural areas.

Your Committee further finds that this measure would enable federally qualified health centers to continue to provide direct medical care to the uninsured, thus enabling the State to save money through the provision of good primary care. Timely access to primary care services can alleviate future health care expenses, including emergency room visits and inpatient hospital admissions.

Your Committee has amended this measure by changing the appropriation amount from an unspecified amount to \$2,000,000.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 964, 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 (Slom).

**SCRep. 229 (Joint) Human Services and Education on S.B. No. 799**

The purpose and intent of this measure is to appropriate funds to the Myron B. Thompson School of Social Work at the University of Hawai'i at Manoa to conduct a social audit of QUEST Expanded Access.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii and four individuals. Your Committees received testimony in opposition to this measure from the Department of Human Services. Your Committees received comments on this measure from University of Hawai'i at Manoa Myron B. Thompson School of Social Work.

Your Committees find that QUEST Expanded Access is a Medicaid-managed care program that replaced a fee-for-service program in 2009, and provides care to low-income individuals who are aged, blind, or disabled. These individuals typically have multiple medical conditions and require care from different health care providers.

Your Committees further find that the goals of QUEST Expanded Access include a reduction in the fragmentation of care and the assurance of coordination across the health care continuum. In addition, the program is designed to be fiscally predictable, stable, and sustainable in order to assure access to high quality, cost-effective care.

Your Committees also find that enrollees, advocates, and health care providers have expressed serious concerns that QUEST Expanded Access is failing to meet its stated goals and that many enrollees are not receiving adequate care.

Your Committees additionally find that QUEST Expanded Access should be formally evaluated to determine whether these concerns are valid, and if so, to correct existing problems. In this regard, social auditing is a process that evaluates programs to determine their social and economic benefits and limitations. Social auditing is a way of measuring the extent to which a program fulfills its stated values and objectives. Social auditing information is collected through various research methods, including surveys, interviews, and case studies.

Your Committees have heard the concerns regarding the Myron B. Thompson School of Social Work at the University of Hawai'i at Manoa and its ability to conduct a social audit. Your Committees believe that the University of Hawai'i at Manoa College of Social Sciences Public Policy Center is better equipped to undertake the task proposed by this measure.

Your Committees have amended this measure by:

- (1) Changing the organization to perform the social audit from the Myron B. Thompson School of Social Work at the University of Hawai'i at Manoa to the University of Hawai'i at Manoa College of Social Sciences Public Policy Center;
- (2) Clarifying that the scope of the social audit shall include evaluations of access to patients, positive health outcomes, and other criteria; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 799, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 799, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 230 (Joint) Human Services and Education on S.B. No. 918**

The purpose and intent of this measure is to continue funding for the suicide prevention coordinator within the department of health and to appropriate funds for suicide prevention services within the department of education.

Your Committees received testimony in support of this measure from the Department of Health, the Department of Education, Hawaii Youth Services Network, Mental Health America of Hawai'i, Papa Ola Lokahi (Native Hawaii Health Board), and one individual.

Your Committees find that over four thousand youths take their lives annually in the United States, making suicide the third leading cause of death of persons between the ages of ten and twenty-four. Your Committees further find that in Hawaii, suicide is the second leading cause of death among persons who are fifteen to twenty-four years old. In 2009 a nationwide behavioral risk survey demonstrated that one out of every eight high school students reported having attempted suicide within the immediately preceding twelve-month period before completing the survey.

Your Committees also find that the rate of attempted suicides for high school students in Hawaii is more than double the national average. Males are more likely than females to commit suicide, and native Hawaiian youths are the ethnic group most likely to attempt or commit suicide.

Your Committees further find that the Department of Health established a Suicide Prevention Coordinator in 2005 under the Injury Prevention and Control Section, EMS and Injury Prevention System Branch through a trade-off transfer utilizing existing resources within the Department. Your Committees find that this position is currently funded and an additional appropriation is not necessary at this time.

Your Committees also find that previous cuts to the Department of Education resulted in the elimination of positions that supported suicide prevention community networking in schools. Restoration of two positions is needed to assist with suicide prevention services within the Department.

Your Committees have amended this measure by:

- (1) Deleting section 2 of this measure which would have continued funding for the Suicide Prevention Coordinator within the Department of Health;
- (2) Changing the appropriation amount to the Department of Education from an unspecified amount to \$120,000 and specifying that the appropriation is for the restoration of Peer Education Program Resource Teacher and full time Clerk-Typist positions to assist with suicide prevention services within the Department of Education;
- (3) Making conforming amendments to accurately reflect the purpose of the amended 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 Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 918, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 918, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 231 Human Services on S.B. No. 924**

The purpose and intent of this measure is to appropriate funds to support the operations of the State Commission on Fatherhood in advancing its legislative mandate.

Your Committee received testimony in support of this measure from the Department of Human Services and the State Commission on Fatherhood.

Your Committee finds that the appropriation proposed under this measure would help the State Commission on Fatherhood implement its strategic plan by providing funding for:

- (1) The travel expenses of neighbor island commissioners;
- (2) The Commission to establish an office; and
- (3) The Commission to employ a Director and clerical staff.

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. 924 and recommends that 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. 232 (Joint) Public Safety, Government Operations, and Military Affairs and Economic Development and Technology on S.B. No. 1496**

The purpose and intent of this measure is to amend the definition of “eligible business activity” to include the development and operation of space exploration and lunar research related activities to qualify these activities for the benefits associated with State Enterprise Zones.

Your Committees received testimony in support of this measure from one state department, eight organizations, and five individuals. Your Committees received comments on this measure from one state department.

Your Committees find that aerospace is a strategic and timely growth industry for Hawaii. With Hawaii’s unique mid-Pacific location, moon- and mars-like terrain, substantial resident expertise in a broad range of scientific and engineering disciplines, and both academic and business partnerships with nations throughout Asia and the Pacific, strategic assets and capabilities can be leveraged to realize humankind’s full potential in space, as well as create well-paying jobs and educational and business development opportunities for citizens statewide.

Your Committees further find that Hawaii clearly has significant advantages in terms of location, geographical resources, and international connectivity that position aerospace as a strategic growth industry for the State. This is one of the most progressive and forward-looking industries in the world and Hawaii can lead both our nation and the global space community in pioneering new vistas for aviation, aeronautics, and space exploration.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military 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. 1496 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 233 (Joint) Public Safety, Government Operations, and Military Affairs and Economic Development and Technology on S.B. No. 165**

The purpose and intent of this measure is to:

- (1) Extend the sunset date of the advisory committee created under Act 161, Session Laws of Hawaii 2009, to assist the Department of Business, Economic Development, and Tourism in developing a statewide starlight reserve strategy; and
- (2) Appropriate funds for the Office of Aerospace Development to carry out its duties to identify and promote opportunities for expanding and diversifying aerospace-related industries in the State.

Your Committees received testimony in support of this measure from one state department, eleven entities, and six individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the aerospace industry presents a timely opportunity for strategic investment in a growth industry that can realize Hawaii’s potential as a major contributor to and beneficiary of global space enterprise. Hawaii has hosted a broad range 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 United States military, and numerous private interests. Major national aerospace companies are already established in the State and are poised to expand their operations in Hawaii as a means of creating a bridge to larger Asian and Pacific markets.

Your Committees further find that the aerospace industry is demonstrably a dynamic growth industry in which strategic investment will produce returns to alleviate the State’s economic malaise. Aerospace development is a sustainable project that will reward relatively modest up-front investment with increasing long-term scientific, educational, and economic returns.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military 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. 165, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 165, 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 (Baker, Slom).

**SCRep. 234 (Joint) Public Safety, Government Operations, and Military Affairs and Economic Development and Technology on S.B. No. 1227**

The purpose and intent of this measure is to expand and enhance the functioning of the Enhanced 911 Board to address the changing technologies and systems required to provide enhanced 911 services.

Your Committees received testimony in support of this measure from one state department, three county departments, one entity, and one individual. Your Committees received testimony in opposition to this measure from one entity.

Your Committees find that the current Wireless Enhanced 911 Board does not include representation of other communications service providers. This measure expands the representation of the Enhanced 911 Board and expands the responsibility of the Board to coordinate all enhanced 911 services. Your Committees recognize that the efficient management of 911 emergency networks saves lives and dramatically reduces the liability of government entities and agencies in responding to emergencies. In addition, this measure encompasses new technologies in the field of enhanced 911 services.



Your Committees have amended this measure by:

- (1) Deleting the definition of “9-1-1 Coordinator” and the provision for responsibilities of the coordinator, on recommendation of the Department of Accounting and General Services;
- (2) Clarifying the provision specifying representation on the Enhanced 911 Board from public safety answering points on various islands, on recommendation of the Department of Accounting and General Services;
- (3) Exempting from the monthly surcharge connections of the local exchange carrier providing land line enhanced 911 services, on the recommendation of Hawaiian Telcom;
- (4) Deleting references to “telematics” on the recommendation of General Motors, LLC; and
- (5) 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 Public Safety, Government Operations, and Military 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. 1227, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1227, 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 (Baker, Slom).

**SCRep. 235 (Joint) Health and Public Safety, Government Operations, and Military Affairs on S.B. No. 1298**

The purpose and intent of this measure is to establish a compliance reporting mechanism for persons found unfit to stand trial who are conditionally released to the community in order to further protect the safety of Hawaii’s residents.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Disability Rights Center, and Mental Health America of Hawai‘i. Your Committees received testimony in opposition to this measure from the Department of Public Safety.

Your Committees find that when a defendant is conditionally released after a finding of unfitness to proceed, it is in the best interest of the community at large for the Department of Health to establish and monitor a fitness restoration plan consistent with conditions set by a court order and to inform the Department of Public Safety’s Intake Service Center of the plan and the defendant’s ongoing compliance. Your Committees further find that this measure will provide much needed monitoring of these released individuals and will provide added security for residents of the State.

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 Health and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1298, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1298, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Nishihara, Shimabukuro).

**SCRep. 236 (Joint) Health and Public Safety, Government Operations, and Military Affairs on S.B. No. 1237**

The purpose and intent of this measure is to authorize the Department of Health to provide certain public health records to law enforcement officers to facilitate criminal investigations.

Your Committees received testimony in support of this measure from the Police Department, City and County of Honolulu; and the Police Department, County of Maui. Your Committees received comments on this measure from The League of Women Voters of Hawaii.

Your Committees find that law enforcement officers frequently need access to public health records to facilitate criminal investigations. This measure provides law enforcement officers acting in their official capacity with access to this information while ensuring that the information will only be used for evidentiary purposes.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion of this measure; and
- (2) 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 Health and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1237, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1237, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Nishihara, Shimabukuro).

**SCRep. 237 Transportation and International Affairs on S.B. No. 98**

The purpose and intent of this measure is to clarify the procedures of the Public Utilities Commission in processing applications from water carriers for certificates of convenience and necessity to operate between islands and to require public hearings before approvals of these applications are granted.

Your Committee received testimony in support of this measure from Young Brothers, Limited, Friendly Market Center, Ltd., Nalo Farms, Inc., Molokai Chamber of Commerce Foundation, Maui Hotel & Lodging Association, Lanai Oil Company, Mauna Kea Banana Company, Inc., Hawaii Cattlemen's Council, Kona-Kohala Chamber of Commerce, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Suisan Company, Ltd., and the Hawaii Food Industry Association. Comments were received from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and the Public Utilities Commission.

Your Committee finds that the State's water cargo transportation industry is critical to the economic health of its island communities. In recognition of the significance of a healthy, efficient, and accessible water transportation system, the Legislature passed the Hawaii Water Carrier Act, codified as chapter 271G, Hawaii Revised Statutes, to subject water carriers to the regulatory oversight of the public utilities commission. The regulatory framework created by chapter 271G includes a requirement that a water carrier apply for and receive a certificate of public convenience and necessity from the Public Utilities Commission before engaging in operations within the State. Issuance of a certificate of public convenience and necessity requires findings that the applicant is willing and able to properly perform the proposed service and conform to applicable laws and rules and that the proposed service is currently required for the convenience and necessity of the public or that it will be in the future.

This measure addresses recent concern over the granting of a temporary certificate of public convenience and necessity to a new water carrier to ship freight between specified interisland harbors. The concern is that certain issues, such as the efficiencies of scale, market economies and pricing, and limited competition in the marketplace for water carriers, need to be carefully considered. The intent of this measure is to open the Commission's deliberation process to the public on islands affected by an application for a certificate of convenience and necessity. Your Committee's intent is to avoid possible long-term detriment to interisland freight shipping.

Your Committee has amended this measure by:

- (1) Prohibiting the Public Utilities Commission from making specified findings or issuing an authorization to operate as a water carrier without certain supportive evidence;
- (2) Prohibiting the issuance of a certificate of convenience and necessity if the certificate permits an applicant to serve only high-margin or high-profit ports or lines of service that are currently served by an existing carrier;
- (3) Making exceptions for certain emergency situations; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

The amended measure is the product of consensus between the Public Utilities Commission and Young Brothers, Limited. Your Committee believes that the amended measure represents a fair and equitable balance of the interests amongst the regulators, the general public, and shipping companies.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 98, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 98, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Espero, Gabbard, Kouchi).

**SCRep. 238 Commerce and Consumer Protection on S.B. No. 1454**

The purpose and intent of this measure is to authorize a planned community association or a condominium association to pursue nonjudicial foreclosure on units within the association for outstanding liens.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association, Hawaii First, Hawaii Financial Services Association, AOA Mauna Luan, Inc., the Hawaii Chapter of the Community Associations Institute, One Waterfront Towers AOA, the Waipuna Condominium, the Villages of Kapolei Association, Pearl Regency Home Owners Association, Wailuna AOA, Mililani Town Association, Ewa by Gentry Community Association, Ke Noho Kai Community Association, HKP AOA, Hawaii Credit Union League and sixteen individuals. Your Committee received testimony in opposition to this measure from Certified Management.

Your Committee finds that foreclosure on a lien by a planned community association or a condominium association is different in purpose from foreclosure on a mortgage by a lender. Foreclosure on an association lien is a procedure for an association to recoup expenditures incurred by the association on behalf of or because of a unit within the association, whereas foreclosure on a mortgage is a procedure for a lender to take possession of a collateral property for recoupment of a debt to a lender incurred by the borrower and secured by the collateral property. Your Committee finds that conflation of the two processes due to their inclusion within the same general foreclosure statute leads to confusion in interpreting the law and administering each process. Your Committee further finds that codifying lien foreclosure language governing the administration of planned community associations and condominium property regimes will reduce confusion and contribute to the efficient administration of the laws governing planned community associations and condominiums.

Your Committee has amended this measure by:

- (1) Adding new provisions to include condominium projects governed under chapter 514A, Hawaii Revised Statutes, in this measure;
- (2) Clarifying that an association may satisfy the bid price of a unit at a foreclosure auction by credit bidding up to the lien amount;
- (3) Specifying the allocation of excess income from rent paid to an association on a foreclosed unit for which the association has acquired title; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1454, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 239 Commerce and Consumer Protection on S.B. No. 1302**

The purpose and intent of this measure is to harmonize state prohibitions on housing discrimination with federal law by clarifying that reasonable accommodations to allow persons with disabilities to have access to housing when using service animals or comfort animals.

Your Committee received testimony in support of this measure from the Disability and Communications Access Board, the Hawai'i Civil Rights Commission, and one private individual. Your Committee received testimony in opposition to this measure from the Hawaii Chapter of the Community Associations Institute, the Board of the Association of Apartment Owners of The Admiral Thomas Apartments, Ewa by Gentry Community Association, and two private citizens.

Your Committee finds that service animals and comfort animals can be important to a person with a disability's ability to access housing and to live independently. Your Committee further finds that the State's compliance with federal fair housing law is a necessary prerequisite to the receipt of certain federal housing assistance funds. However, your Committee also finds that the inclusion of assistive animals in large, dense housing developments such as high-rise condominiums merits special consideration in order to preserve the right of all residents to feel comfortable in their homes and to prevent abuse of the allowance of comfort animals. Therefore, your Committee requests that the proponents of this measure work with representatives of planned community and condominium associations toward a solution that allows for accommodation of comfort animals, as defined by federal law, for those who need them and takes into account the rights and interests of all residents. Your Committee further respectfully requests that, should your Committee on Judiciary and Labor consider this measure, that Committee consider any recommendations from advocates of this measure that reflect consensus among stakeholders.

Your Committee has amended this measure by:

- (1) Deleting provisions related to comfort animals in order to allow stakeholders to reach a consensus-based resolution of this issue;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1302, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 240 (Joint) Agriculture and Water, Land, and Housing on S.B. No. 145**

The purpose and intent of this measure is to:

- (1) Authorize the Director of Finance to issue general obligation bonds in the sum of \$400,000 to be deposited into the Irrigation Repair and Maintenance Special Fund; and
- (2) Appropriate \$400,000 out of the Irrigation Repair and Maintenance Special Fund to fund the repair and maintenance of various irrigations systems and for additional personnel for the Department of Agriculture.

Your Committees received testimony in support of this measure from the Department of Agriculture; the Department of Land and Natural Resources; the Hawaii Farm Bureau Federation; Monsanto Hawaii; the Hawaii Agriculture Research Center; the Kunia Water Cooperative; the Hawaii Cattlemen's Council; Pioneer Hi-Bred International, Inc.; the Hawaii Crop Improvement Association; and Syngenta Hawaii.

Your Committees find that to ensure that Hawaii's crops continue to receive a steady and dependable supply of water, sufficient funding is needed to repair and maintain Hawaii's irrigation systems.

Your Committees have amended this measure by:

- (1) Increasing the amount of general obligations bonds the Director of Finance shall be authorized to issue for fiscal year 2011-2012 from \$400,000 to \$9,960,000 and appropriating the same sum directly for capital improvements to specific irrigation systems rather than to be deposited into and appropriated out of the Irrigation Repair and Maintenance Special Fund;

- (2) Authorizing the Director of Finance to issue general obligation bonds for fiscal year 2012-2013 in the sum of \$9,900,000 and appropriating the same sum for capital improvements to specific irrigation systems;
- (3) Removing funding for the East Kauai Irrigation System, the Waimea Irrigation System, the Agricultural Water Use Plan, the Engineer VI (SR-28) position, the conversion of an existing Clerk-Typist II temporary position to a new Clerk-Typist III position (SR-13), and the creation of a Mobile Disaster Emergency Response Team;
- (4) Adding the Waiahole, Ka'u, Kekaha Ditch, and Kahuku Agricultural Park irrigation systems to the list of irrigation systems to undergo repair and maintenance with the funds appropriated under this measure; and
- (5) Specifying the amounts of funds appropriated to each irrigation system for fiscal year 2011-2012 and fiscal year 2012-2013.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 145, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 145, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Fukunaga, Kouchi, Slom).

**SCRep. 241 (Majority) Judiciary and Labor on S.B. No. 1081**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit (2) and its excluded counterparts within the Executive Branch.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

While it is uncertain whether the State is in a position to fund general salary increases for public employees at this time, your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (2), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee notes that this measure, as introduced, was intended to appropriate unspecified sums for certain salary and cost adjustments related to collective bargaining unit (2), rather than for Hawaii Employer-Union Health Benefits Trust Fund costs. Accordingly, your Committee has amended this measure by replacing its contents with provisions that appropriate unspecified sums for:

- (1) All collective bargaining cost items for state employees and officers in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation, in collective bargaining unit (2); and
- (2) Salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (2).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1081, 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 (Ihara).

**SCRep. 242 Economic Development and Technology on S.B. No. 831**

The purpose and intent 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, and to exempt the New Markets Tax Credit from the requirements of Section 704(b)(2) of the Internal Revenue Code.

Your Committee received testimony in support of this measure from Enterprise Honolulu; Chun, Kerr, Dodd, Beaman & Wong; United Fund Advisors; and one individual. Your Committee received comments on this measure from the Department of Taxation, High Technology Development Corporation, and Tax Foundation of Hawaii.

Your Committee finds that New Markets Tax Credits attract private-sector capital investment to low-income areas in the United States to help finance community development projects, stimulate economic growth, and create jobs. The tax credit is equal to thirty-nine percent of the qualified equity investment, claimed over seven years, and nonrefundable. Corporations, nonprofit organizations, and others can create community development entities and apply for these tax credits.

Your Committee further finds that the federal New Markets Tax Credit was established by Congress in 2000 as part of the Community Renewal Tax Relief Act to stimulate investment in low-income communities. These tax credits have financed a wide range of activities in distressed urban and rural communities, including alternative energy companies, charter schools, health care facilities, child care providers, supermarkets, manufacturers, processors, distributors, and business incubators. In addition, every dollar of New Markets Tax Credit investment can be leveraged into multiple expenditures through bank loans in conjunction with equity investments.

In testimony before your Committee, Enterprise Honolulu stated that in May 2010, Enterprise Honolulu and American Savings Bank established a new entity Punawai O Pu'uhoonua as a community development entity in order to apply for an allocation of \$125,000,000 of federal New Markets Tax Credits for Hawaii, and a response is expected by late February of this year.

Hawaii's low-income communities have suffered disproportionately in the current economic downturn, and your Committee is supportive of this revitalization effort. Your Committee has amended this measure by:

- (1) Restricting community development entity investments to low-income communities in Hawaii;
- (2) Deleting the ability to claim the state New Markets Tax Credit independent of the federal New Markets Tax Credit; and
- (3) Adding franchise taxes under chapter 241, Hawaii Revised Statutes, and insurance premium taxes under chapter 431, Hawaii Revised Statutes, as eligible for the credit.

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. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 831, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 243 (Majority) Commerce and Consumer Protection on S.B. No. 1270**

The purpose and intent of this measure is to appropriate monies from the Hawaii Hurricane Relief Fund to the General Fund of the State in order to balance the State's budget as required by section 5 of article VII of the Hawaii State Constitution.

Your Committee received testimony in support of this measure from Paxen Huli Ke Alo. Your Committee received testimony in opposition to this measure from the Hawaii Hurricane Relief Fund, Hawai'i Association of REALTORS, Hawaii Independent Insurance Agents Association, and two private individuals. Your Committee received comments on this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs.

Your Committee finds that the Hawaii Hurricane Relief Fund serves an important purpose by ensuring that the State has sufficient funds available to meet its immediate emergency response needs and to provide for sufficient property insurance in the medium-to-long term following a catastrophic hurricane. Your Committee finds that this measure is not intended to, and will not, empty the Hawaii Hurricane Relief Fund. Your Committee notes that this measure guarantees that the Hawaii Hurricane Relief Fund will retain the sum of at least \$10,000,000 for use in the event of an emergency situation. Your Committee also notes that the Hawaii Hurricane Relief Fund is not the sole source of relief funds available to fulfill the State's immediate needs in the event of a natural disaster; other special purpose funds are available at the county, state, and federal levels. Your Committee further notes that this measure provides for the timely repayment to the Hawaii Hurricane Relief Fund of all moneys transferred to the General Fund by this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation made by this measure shall be for fiscal year 2011-2012;
- (2) Specifying that the Hawaii Hurricane Relief Fund shall retain a balance of at least \$10,000,000 after the appropriation made by this measure;
- (3) Requiring that the Hawaii Hurricane Relief Fund be reimbursed for the amount appropriated by this measure using General Fund monies pursuant to a payment schedule that begins in fiscal year 2013-2014;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1270, S.D. 1, 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, 1 (Slom). Excused, none.

**SCRep. 244 Commerce and Consumer Protection on S.B. No. 583**

The purpose and intent of this measure is to authorize the Director of Commerce and Consumer Affairs to designate an access organization to oversee the development, operation, supervision, management, production, and broadcasting of programs of public, educational, or governmental access facilities not subject to public procurement requirements.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Americans for Democratic Action/Hawai'i, Akaku: Maui Community Television, Ho'ike: Kauai Community Television, Inc., Maui Film Festival, Media Council of Hawai'i, Community Alliance on Prisons, 'Olelo Community Media, The Comedy Hui, MCCFDIA, and thirty-four individuals. Your Committee received testimony in opposition to this measure from the State Procurement Office.

Your Committee finds that the Senate has long supported the policy embodied in this measure. Your Committee further finds that the public procurement process is particularly unsuited to the concerns and needs of the community media system because it does not allow for consideration of issues regarding public participation, quality of programming, diversity of viewpoints, and other matters unique to the mission of public access media. In the context of public access media, the procurement process is inefficient, wasteful, and unproductive. Your Committee also finds that this measure empowers the Director of Commerce and Consumer Affairs to exercise sufficient oversight of community media providers and that this function is an appropriate exercise of the Director of Commerce and Consumer Affairs' authority.

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. 583 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 245 (Majority) Commerce and Consumer Protection on S.B. No. 1176**

The purpose and intent of this measure is to require all health insurers, mutual benefit societies, and health maintenance organizations to provide reimbursements for the use of the Lifebed Intelligent Medical Vigilance System as part of hospital care.

Your Committee received testimony in support of this measure from Hoana Medical Systems, Inc. and Hawaii Medical Assurance Association. Your Committee received testimony in opposition to this measure from Healthcare Association of Hawaii and Hawaii Medical Service Association. Your Committee received comments on this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs.

Your Committee finds that the Lifebed Intelligent Medical Vigilance System is a monitoring technology that allows for the monitoring of hospital patients' heart and respiration rates and alerts staff when any abnormalities are detected or when the patient attempts to exit the bed unassisted. The Lifebed Intelligent Medical Vigilance System may reduce the risk of injury or death from falls and from failure to rescue patients in cardiac or respiratory distress. Your Committee further finds that early and effective intervention for patients in distress will increase the overall quality and reduce the cumulative cost of health care available to patients in this State. It is the intent of your Committee that this measure will create incentives for the use of the Lifebed Intelligence Medical Vigilance System in hospitals by requiring reimbursement for its use.

Your Committee has amended this measure by:

- (1) Adding a provision to repeal this measure on July 1, 2015, to allow the Legislature to evaluate the measure's effectiveness in terms of patient safety and cost; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1176, 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, 1 (Slom). Excused, none.

**SCRep. 246 Commerce and Consumer Protection on S.B. No. 648**

The purpose and intent of this measure is to terminate certain funds outside of the state treasury for which the statutory authority has expired and to deposit the residual amounts left in each fund into the General Fund.

Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that the funds terminated by this measure were established by statutes that have long since been repealed and the funds are effectively nonfunctional. Your Committee further finds that the monies languishing in these funds are currently inaccessible for any purpose and will serve the State more effectively if they are made accessible through deposit into the General Fund. Finally, your Committee notes that this measure is based upon findings and recommendations of the State Auditor contained in Report No. 10-09, "Review of Revolving Funds, Trust Funds, and Trust Accounts of the Judiciary and the Departments of Commerce and Consumer Affairs, Hawaiian Home Lands, Health, and Human Services".

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 648, 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. 247 Commerce and Consumer Protection on S.B. No. 644**

The purpose and intent of this measure is to reduce the gallonage tax paid each year by small brewers and brewpubs located in the State for the purpose of promoting the development of this small business-based industry within the State.

Your Committee received testimony in support of this measure from Hawai'i Nui Brewing and Kona Brewing Company. Your Committee received testimony in opposition to this measure from Anheuser Busch Companies. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the cost of brewing beer in the State is significantly higher than elsewhere in the nation; in fact it is less costly to produce and package beer on the mainland then ship the finished product to Hawaii. Your Committee further finds that developing a robust craft beer and brewpub industry will create jobs in the production of a product for consumption within the State and for export. Your Committee also finds that tax incentives for craft brewing in other states have created thriving industries composed of multiple small businesses that employ workers in production and bottling operations and contribute directly to state coffers through tax payments. Finally, your Committee finds that the development of a local craft beer and brewpub industry will help to diversify Hawaii's economy and create opportunities to develop a production-based industry while complementing the State's existing service- and tourism-based economy.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 644, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 248 Commerce and Consumer Protection on S.B. No. 1125**

The purpose and intent of this measure is to preserve the condo court process of mediation, arbitration, administrative hearing, and judicial appeal for the resolution of certain disputes related to condominium matters.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners and one private individual. Your Committee received testimony in opposition to this measure from Hawaii First, the Hawaii Chapter of Community Associations Institute, Certified Management, Ke Noho Kai Community Association, Palehua Community Association, Wailuna AAO, HKP AAO, Mililani Town Association, and fifteen individuals.

Your Committee finds that the condo court process is an important avenue for dispute resolution between condominium owners and associations. Since the process includes sequential components, it allows parties to a dispute to pursue multiple avenues to avoid litigation. Your Committee further finds that these subsequent avenues of relief are important mechanisms for avoiding a costly court process in many disputes and, therefore, should be preserved. Your Committee recognizes that there are multiple measures regarding the subject of condominium dispute resolution that are currently being considered by this Legislature and notes that this measure is in harmony with those measures that preserve existing avenues of nonjudicial relief.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1125, 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. 249 Commerce and Consumer Protection on S.B. No. 155**

The purpose and intent of this measure is to regulate the practice of athletic training by requiring persons engaged in the practice of athletic training in this State to meet certain requirements and to register with the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the University of Hawai'i System, the Hawaii Athletic Trainers Association, and the Board of Certification, Inc. Your Committee received testimony in opposition to this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, the State Auditor, the Hawaii Chapter – American Physical Therapy Association, and the Occupational Therapy Association of Hawaii.

Your Committee finds that, as one of only three states that currently does not regulate the practice of athletic training, Hawaii is at risk of attracting individuals who are disqualified from practicing athletic training elsewhere. Your Committee notes that the State Auditor's report on this matter, issued pursuant to Act 108, Session Laws of Hawaii 2010, found that regulation of athletic trainers is not necessary to protect the public. Your Committee respectfully disagrees. With no system in place to verify an individual's professional qualifications, background, and complaint history, unqualified or unscrupulous persons may be allowed to practice athletic training in this State without any meaningful oversight. Your Committee finds that this would be an especially troubling outcome in light of the fact that athletic trainers often work with elementary and secondary school-aged children in both public and private school sponsored sports programs. Your Committee further finds that the continued absence of regulation over the practice of athletic trainers puts the safety of consumers at risk and degrades the profession as a whole.

Your Committee has amended this measure by:

- (1) Adding definitions of "athlete" and "athletic injury";
- (2) Clarifying that the regulatory requirements contained in this measure apply to all persons who are required to register as athletic trainers, whether or not those persons are actually registered;
- (3) Amending the definition of "practice of athletic training" to more accurately reflect the actual scope of practice;
- (4) Clarifying that registration with the Department of Commerce and Consumer Affairs pursuant to this measure shall be required beginning August 1, 2011;
- (5) Specifying that registration information submitted to the Department of Commerce and Consumer Affairs shall include complaints filed against the registrant with the national certifying agency and the official disposition of those complaints;
- (6) Clarifying that the Director of Commerce and Consumer Affairs may adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to enforce the requirements of this measure including the establishment of any fees or fines that the Director deems necessary;
- (7) Specifying that the measure shall take effect on August 1, 2011, and be repealed on July 31, 2017; and

- (8) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 155, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 250 (Joint/Majority) Commerce and Consumer Protection and Economic Development and Technology on S.B. No. 775**

The purpose and intent of this measure is to continue the work of and appropriate funds for the Construction Site Inspection Task Force established pursuant to Act 121, Session Laws of Hawaii 2010.

Your Committees received testimony in support of this measure from the State Contractors License Board, Building Industry Association of Hawaii, the Subcontractors Association of Hawaii, Complete Construction Services Corp., and the Pacific Resource Partnership. Your Committees received testimony in opposition to this measure from the Department of Labor and Industrial Relations. Your Committees received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committees find that the intent of the Legislature in creating the Construction Site Inspection Task Force was to investigate the interrelation of workplace safety, tax law, and worker qualification violations that occur in the context of unlicensed construction activity. Your Committees further find that this ambitious goal proved to be too complex for the task force to successfully achieve. Your Committees also find that the task force's own recommendation to narrow its focus to deterring unlicensed activity and strengthening the Department of Commerce and Consumer Affairs' ability to enforce existing licensure requirements will allow the task force to continue its work in a more meaningful manner. Further, your Committees recognize the commitment of the construction industry to assisting in the enforcement of licensing requirements. Your Committees find that offsetting the cost of the task force by modestly increasing fees charged to current licensees is an appropriate means of distributing the burdens and the benefits of creating an effective task force.

Your Committees have amended this measure by:

- (1) Clarifying that the purpose of the measure is to extend authorization of the Construction Site Inspection Task Force through December 31, 2011, while focusing its efforts more narrowly;
- (2) Accepting the construction industry's recommendation to add a \$10 surcharge to each license application and renewal under chapter 444, Hawaii Revised Statutes, for deposit into the Compliance Resolution Fund for the purpose of offsetting costs incurred by the task force;
- (3) Adding three representatives of the construction industry to the membership of the task force;
- (4) Narrowing the purpose of the task force to focus on issues of deterring unlicensed activity and enforcing existing requirements for licensure; and
- (5) Exempting certain discussions of the task force involving sensitive law enforcement or public safety matters from the open meetings requirements of chapter 92, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection 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. 775, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 775, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Slom). Excused, none.

**SCRep. 251 (Joint) Economic Development and Technology and Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 762**

The purpose and intent of this measure is to streamline portions of the review process for permits, licenses, and approvals to minimize time delays, and to expedite projects by:

- (1) Authorizing counties to contract with a third-party reviewer to streamline construction permit, license, and other application processing; and
- (2) Requiring applications to be deemed approved if the Historic Preservation Division of the Department of Land and Natural Resources fails to review and comment within sixty days, and after thirty days if agencies fail to establish maximum time periods for permit and other application processing.

Your Committees received testimony in support of this measure from the Coalition of Hawaii Engineering & Architectural Professionals, Hawaii Laborers' Union, Land Use Research Foundation of Hawaii, Palekana Permits, and Alexander & Baldwin, Inc. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources; Office of Hawaiian Affairs; Hawaii County Economic Opportunity Council; Hawaii Government Employees Association AFSCME Local 152, AFL-CIO; Sierra Club Hawai'i Chapter and Moku Loa Group of the Sierra Club; Hawaii's Thousand Friends; Hawaii Audubon Society; Heart of Maui; Livable Hawaii Kai Hui; Legislative Committee of the Society for Hawaiian Archaeology; Three Ring Ranch Exotic Animal Sanctuary; Respiratory & Environmental Disabilities Association of Hawaii; Kennedy/Jenks Consultants; Aloha 'Aina 'O Kamilo Nui; BioSystems; Kahea; and one hundred thirty individuals.



Your Committees find that the issue of streamlining the permit, license, and application process in order to expedite construction and other projects has raised grave concerns for all those testifying on this measure. Your Committees have considered the issues raised in testimony and believe that this measure, as heard, is premature in its response to the problem.

Your Committees further find that a collaborative approach to identify specific problems and recommend related solutions is a more appropriate approach to the overall problem.

Your Committees have amended this measure accordingly, by:

- (1) Deleting the statutory provisions related to third-party review of permit, license, and approval processing;
- (2) Establishing a Task Force, attached to the Department of Land and Natural Resources for administrative purposes, to identify the problems and recommend specific solutions to streamline the permit, license, and application process;
- (3) Authorizing the Legislative Reference Bureau to provide assistance to the Task Force in the compilation and publication of the findings and recommendations of the Task Force; and
- (4) Requiring a report to the Legislature prior to the 2012 Regular Session.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 762, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 762, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Shimabukuro, Tokuda, Wakai).

**SCRep. 252      Transportation and International Affairs on S.B. No. 698**

The purpose and intent of this measure is to make the purchase by state and county agencies of certain roadway materials with a minimum recycled glass content discretionary, rather than mandatory.

Your Committee received testimony in support of this measure from Grace Pacific Corporation and Alakona Corporation. Your Committee received testimony in opposition to this measure from the City and County of Honolulu, Department of Design and Construction.

Under current law, state agencies are required to purchase certain roadway materials made with a minimum recycled glass content of ten percent crushed aggregate recycled glass in basecourse paving materials and one hundred percent aggregate in nonstructural capital improvement applications. However, your Committee finds that this requirement (sometimes referred to as the "glassphalt mandate") may have the following negative impacts:

- (1) It reduces the quality of roads in Hawaii;
- (2) It impairs the paving industry's ability to recycle asphalt pavements; and
- (3) It results in a higher carbon footprint than if glass were shipped to the mainland to be recycled into new glass products.

In addition, your Committee believes that there may be other more economical and eco-friendly uses for recycled glass that have been discovered since the enactment of this provision in 1994.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 698, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (English, Slom).

**SCRep. 253      (Joint) Health and Education on S.B. No. 596**

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Health Corps Program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners who practice in any county having a shortage of physicians, physician assistants, and nurse practitioners, with priority given to participants of the program who serve in rural areas;
- (2) Provide for loan repayments by the University of Hawaii John A. Burns School of Medicine and the University of Hawaii at Manoa School of Nursing and Dental Hygiene; and
- (3) Make appropriations to support accreditation efforts and support and expand residency programs, particularly in family medicine.

The intent of this measure is to encourage and enable physicians, physician assistants, and nurse practitioners to provide care in areas of the State with health care provider shortages.

Your Committees received testimony in support of this measure from the University of Hawai'i System; Hawai'i State Center for Nursing; Hawaii Health Systems Corporation; Hawaii Health Systems Corporation, East Hawaii Regional Board; Hawaii Medical Service Association; Hawaii Medical Association; Healthcare Association of Hawaii; Hilo Medical Center Foundation; Hawaii Association for Justice; Healthy Mothers Healthy Babies Coalition of Hawaii; and four private citizens. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that the increasingly high cost of a physician's and nurse practitioner's professional education requires these professionals to seek out the higher incomes that allow them to more easily repay their student loans. Your Committees find that this measure will provide much needed incentives for physicians, physician assistants, and nurse practitioners to practice in rural areas within the State.

Your Committees further find that this measure could be improved by creating a revolving fund, the funds of which may be used for the operating costs of the Hawaii Health Corps. Your Committees also find that more discussion is needed to evaluate whether a penalty provision should be added to the measure to govern program participants who decide to leave the program early and recommend that the penalty provisions of S.B. No. 1170 be considered.

Accordingly, your Committees have amended this measure by:

- (1) Adding language and conforming amendments to allow the University of Hawaii at Manoa School of Nursing and Dental Hygiene to serve as a co-administrator of the Hawaii Health Corps Program;
- (2) Creating the Hawaii Health Corps Revolving Fund and authorizing the monies held in this fund to be used for operating costs of the Hawaii Health Corps Program;
- (3) Inserting an effective date of July 1, 2050, to allow for further discussion of this measure; and
- (4) 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 Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 596, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 596, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Baker, Taniguchi, Slom).

**SCRep. 254 (Joint) Health and Economic Development and Technology on S.B. No. 22**

The purpose and intent of this measure is to establish the Hawaii Health Corps program to address physician shortages in rural areas of the State by creating a loan repayment program and an incentive plan for the recruitment of qualified health care professionals to serve in areas with current shortages in health care professionals.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation, East Hawaii Region; Healthcare Association of Hawaii; Hawaii Health Systems Corporation; Healthy Mothers Healthy Babies Coalition of Hawai'i; and Hawai'i Primary Care Association. Your Committees received testimony in opposition to this measure from one private citizen. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that due to changes in demographics, changes in the delivery of health care services, and the escalating costs of education have resulted in severe shortages of qualified health care professionals. Your Committees further find that there are surpluses of qualified health care professionals in some areas of the State and shortages in other parts of the State, particularly in the more rural areas. Your Committees also find that this measure will create much needed incentives for qualified health care professionals to serve in certain areas within the State.

Additionally, your Committees would like to see the Department of Health and the Department of Business, Economic Development, and Tourism collaborate on the implementation of this measure in a way that allows the Department of Business, Economic Development, and Tourism, with administrative support, to focus on carrying out the loan repayment program.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to facilitate further discussion of this measure; and
- (2) 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 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. 22, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 22, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Chun Oakland, Solomon, Slom).

**SCRep. 255 (Joint) Health and Economic Development and Technology on S.B. No. 800**

The purpose and intent of this measure is to create a tax credit to encourage qualifying businesses to create wellness programs for their employees.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii and the American Heart Association. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that employers can help their employees make better lifestyle choices by establishing wellness programs that seek to maintain and promote good health. Your Committees have heard the concerns regarding the establishment of a refundable tax credit for employers who create wellness programs.

Accordingly, your Committees have amended this measure by:

- (1) Limiting the allowable claimants of the tax credit to those qualifying employers that are eligible for grants to provide comprehensive workplace wellness programs under the federal Patient Protection and Affordable Health Care Act, Public Law 111-148; and
- (2) 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 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. 800, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 800, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8; Ayes with Reservations (Wakai). Noes, none. Excused, 1 (Solomon).

**SCRep. 256 Human Services on S.B. No. 288**

The purpose and intent of this measure is to require a court to allow an alleged victim to be listed as “Jane Doe” or “John Doe” within court filings in cases of alleged domestic abuse where the alleged victim has already received an order of protection, temporary restraining order, or protective order against the accused party to the petition or complaint if the court deems it necessary to protect the privacy of the alleged victim and to permit courts to seal court records associated with the “Jane Doe” or “John Doe” filing under certain circumstances.

Your Committee received testimony in support of this measure from the Domestic Violence Action Center, the Hawaii State Coalition Against Domestic Violence, and two individuals. Your Committee received testimony in opposition to this measure from the Family Law Section of the Hawaii State Bar Association, the American Civil Liberties Union of Hawai‘i, and Hawaii Fathers-4-Justice. Your Committee received comments on this measure from the State of Hawaii Judiciary and one individual.

Your Committee finds that certain victims of domestic violence should have their identities concealed when filing petitions, complaints, or motions against an alleged abuser in order to protect themselves and their privacy. This measure allows these victims, upon petition to a court, to have their identities concealed for their personal privacy and safety.

Your Committee has amended this measure 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 288, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 257 Human Services on S.B. No. 962**

The purpose and intent of this measure is to change references in the Hawaii Revised Statutes by substituting “intellectual disabilities”, or like term, wherever the term “mental retardation”, or like term, appears.

Your Committee received testimony in support of this measure from the Department of Health; State Council on Developmental Disabilities; Disability and Communication Access Board; Special Education Advisory Council; Hawaii Disability Rights Center; Goodwill Industries of Hawaii, Inc.; Easter Seals Hawai‘i; People Attentive to Children; and fifty-six individuals.

Your Committee finds that individuals with intellectual disabilities are people first, and they have the right to be included and respected in society. Changing references from “mental retardation” to “intellectual disability” within the Hawaii Revised Statutes appropriately reflects current and evolving terminology.

Your Committee also finds that the term “intellectual disability” is recognized by the federal government and implemented through statute and federal regulations. Hawaii will join the country and professional organizations that have changed their language from “mental retardation” to “intellectual disability”, and in doing so, respect people first.

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. 962 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 258 Human Services on S.B. No. 1510**

The purpose and intent of this measure is to:

- (1) Provide that after a child is adopted, the child’s birth certificate will include the names of either or both of the child’s natural parents, regardless of whether the child’s adoptive parents request the names of the child’s natural parents to be listed; and
- (2) Provide for access to confidential adoption records, under certain circumstances.

Your Committee received testimony in support of this measure from the Adoption Circle of Hawaii and twenty-nine individuals. Your Committee received comments on this measure from the Judiciary.

Your Committee finds that in the mid twentieth century, states began sealing adoption records, and amending birth certificates to substitute the adoptive parents' names in place of the birth parents' names. At the time, this action was taken to protect adopted persons born to unmarried mothers from the stigma of being considered illegitimate. Over time, this concept of illegitimacy has become outmoded.

Your Committee also finds that Act 338, Session Laws of Hawaii 1990, allowed access to adoption records for adoptees whose adoptions were finalized in 1991 or thereafter. However, adoptees whose adoptions were finalized before 1991 must undertake an intermediary search to request access to their adoption records.

Your Committee further finds that the best practices of adoption continue to evolve. Most child placement agencies practice some form of open adoption, where ethnicity, race, and medical and genetic information, as well as some identifying information about the parties to the adoption, is shared.

Your Committee additionally finds that adult adoptees often desire direct access to identifying information about themselves and their birth parents. This information can be essential to an adopted adult's identity and health needs. Your Committee finds that this measure will help all adopted persons in Hawaii obtain access to their adoption records.

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. 1510 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 259 Human Services on S.B. No. 944**

The purpose of this measure is to replace the term "visitation" with the term "parenting time" only within those sections that pertain to child custody, care, and maintenance between children and their parents, and to add the term "parenting time" to those sections that reference the term "visitation" and pertain to child custody, care, and maintenance between children and any other appropriate parties. The intent of this measure is to encourage a more positive approach to parenting situations where a child does not live with both parents.

Your Committee received testimony in support of this measure from the Family Law Section of the Hawaii State Bar Association, Hawai'i Coalition for Dads, and three individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services, AngelGroup, and three individuals.

Your Committee finds that children benefit from positive relationships with their parents, and it is widely recognized that children are more likely to thrive with support, guidance, and nurturing from both parents.

Your Committee further finds that the term "visitation" has developed a negative connotation in divorce, paternity, and custody actions. Substituting "parenting time" in place of "visitation" will remove the negative stigma associated with being the non-custodial parent in divorce, paternity, and custody proceedings, and will facilitate settlements that are in the best interests of the children involved.

Your Committee has heard the concerns regarding changing the definition of "visitation" in chapter 587A, Hawaii Revised Statutes, the Child Protective Act, which could result in this chapter becoming inconsistent with federal Title IV-E requirements. Your Committee notes that inconsistencies between federal and state law could affect federal funding.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the amendment to:
  - (A) Section 587A-15, Hawaii Revised Statutes, relating to duties, rights, and liability of authorized agencies;
  - (B) Section 587A-26, Hawaii Revised Statutes, relating to temporary foster custody hearings;
  - (C) Section 587A-28, Hawaii Revised Statutes, relating to return hearings; and
  - (D) Section 587A-30, Hawaii Revised Statutes, relating to periodic review hearings; and
- (2) Making conforming amendments to accurately reflect the purpose of the amended 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. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 944, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 260 Human Services on S.B. No. 954**

The purpose and intent of this measure is to:

- (1) Give foster children the option to remain under the jurisdiction of the family court system until they reach the age of twenty-one; and
- (2) Require a transition plan for foster care children once they reach the age of fourteen.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Hawaii Youth Services Network; Epic 'Ohana, Inc.; Family Programs Hawai'i, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that the transition from foster care to adulthood is a very difficult path for many former foster care individuals. Many youth who age out of foster care at age eighteen are not fully prepared for the responsibilities of adult living. Some may still be in high school, and most lack the employment skills and experience to earn a living wage.

Your Committee further finds that, without the continuation of support services that foster youth receive from foster parents and state programs under foster care, many former foster youth face low odds for a successful life as an adult. Extending foster care benefits on a voluntary basis can be an effective way to increase educational attainment, develop independent living skills, and reduce homelessness among former foster youth.

Your Committee has amended this measure by:

- (1) Deleting section 2 of the measure, which would have extended the jurisdiction of the Family Court until a child reaches twenty-one years of age;
- (2) Deleting section 3 of the measure, which would have amended the definition of "child";
- (3) Adding a requirement that a court may retain jurisdiction under chapter 587A, Hawaii Revised Statutes, until a child reaches twenty-one years of age;
- (4) Making conforming amendments to accurately reflect the purpose of the amended measure; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 954, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 954, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 261 Human Services on S.B. No. 785**

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to match available federal Disproportionate Share Hospital funds allocated to the State.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii; Kaiser Permanente; Hawai'i Pacific Health; The Queen's Medical Center; Hawai'i Primary Care Association; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; and two individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the federal government makes Disproportionate Share Hospital (DSH) payments available to hospitals that serve significantly disproportionate numbers of low-income patients. Eligible hospitals are referred to as DSH hospitals. States receive an annual DSH allotment to cover the costs of DSH hospitals that provide care to low-income patients that are not paid by other payers, such as Medicare, Medicaid, the Children's Health Insurance Program, or private health insurance.

Your Committee further finds that Hawaii does not receive DSH funding on a regular basis. Hawaii lost DSH funding when the State created its QUEST program under Medicaid. However, Hawaii's Congressional Delegation has been able to secure \$10,000,000 per year in federal DSH payments until 2019. These federal funds may be matched by state funds using the Federal Medical Assistance Percentage.

According to testimony received by your Committee, the Department of Human Services has submitted a state plan amendment to the federal Centers for Medicare and Medicaid Services covering the period from July 1, 2009, through June 30, 2010. The DSH payment for this period will be paid to hospitals in February 2011. Your Committee also finds that the next DSH period will be July 1, 2010, through June 30, 2011, and the applicable Federal Medical Assistance Percentage is expected to be 50.48 percent for that period, which corresponds to \$9,809,826 for the State's share.

Accordingly, your Committee has amended this measure by:

- (1) Deleting references to specific Federal Medical Assistance Percentages and dollar amounts and leaving the percentages and sums unspecified for determination by the Committee on Ways and Means;
- (2) Changing the appropriation amount from \$8,654,621 to \$9,809,826; and
- (3) Making conforming amendments for accuracy.

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. 785, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 785, 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 (Slom).

**SCRep. 262 Human Services on S.B. No. 940**

The purpose and intent of this measure is to support the Kupuna Care program by appropriating funds to the Alzheimer's Association, Aloha Chapter, to support and promote participation in elder registration services in the State.

Your Committee received testimony in support of this measure from the Executive Office on Aging; Alzheimer's Association, Aloha Chapter; Policy Advisory Board for Elder Affairs; The Plaza at Mililani; and one individual.

Your Committee finds that an estimated twenty-eight thousand Hawaii residents suffer from Alzheimer's disease and related dementia. The risk of developing the disease doubles every five years after the age of sixty-five. Six out of ten people with Alzheimer's disease and related dementia will wander during the course of their illness. Wandering can be dangerous and sometimes life-threatening, and the stress can weigh heavily on caregivers and family members.

Your Committee further finds that there are registration services through which individuals who wander can be more easily located, identified, and returned safely to their families. These services also aid police and other first responders in the safe return of elders who are found but who cannot remember essential contact information.

Your Committee also finds that the goal of an elder wanderer's registration program is to significantly increase enrollment and participation in a wanderer's registry, so that families and first responders have a single point of contact, twenty-four hours a day, seven days a week, to access information and locate or return found elders.

Your Committee has heard the concerns of this measure appropriating funds as a grant pursuant to chapter 42F, Hawaii Revised Statutes, which is contrary to the current Kupuna Care program funding system.

Accordingly, your Committee has amended this measure by:

- (1) Removing specific references to the Kupuna Care program;
- (2) Amending section 1 of this measure to reflect the measure's amended purpose;
- (3) Changing the appropriation amount from an unspecified sum to \$50,000; and
- (4) Changing the expending agency from the Department of Human Services to the Department of Health.

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. 940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 940, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 263 Human Services on S.B. No. 1110**

The purpose and intent of this measure is to require the Department of Human Services to develop and administer a program to assist former foster youth with housing options upon aging out of the foster care system and to appropriate funds to develop and administer a housing assistance program for former foster youth.

Your Committee received testimony in support of this measure from Hawaii Youth Services Network, Hawaii Foster Youth Coalition, Hawaii Family Forum, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that thirty percent of youth who age out of foster care at eighteen years of age become homeless before they reach the age of twenty-one and that many former foster youth need assistance in locating affordable housing, negotiating with landlords, and managing their budgets. This measure would provide assistance to Hawaii's former foster youth who have trouble accessing housing and improving their quality of life.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1110, S.D. 1, and be 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. 264 Human Services on S.B. No. 127**

The purpose and intent of this measure is to make a grant to establish and operate a comprehensive deaf center.

Your Committee received testimony in support of this measure from the Aloha State Association of the Deaf and twenty-one individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services and one individual.

Your Committee finds that the creation of a comprehensive deaf center will promote individual growth, social awareness, productivity, and equality by empowering deaf, hard of hearing, and deaf-blind persons to be full participants in Hawaii's communities.

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. 127 and recommends that 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. 265 (Majority) Commerce and Consumer Protection on S.B. No. 1414**

The purpose and intent of this measure is to restrict reimbursements under workers' compensation insurance for repackaged prescription drugs and compounded medications to the amount that is currently authorized for retail pharmacies under state law.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, the City and County of Honolulu, Marriott International, Inc., Hawaii Employers' Mutual Insurance Company, Inc., Hawaii Insurers Council, GEICO, the Property Casualty Insurers Association of America, IMS, and ALTRES, Inc. Your Committee received testimony in opposition to this measure from Aloha Pain Clinic, Industrial Pharmacy Management, LLC, Workstar Injury Recovery Center, Hawaii Injured Worker's Alliance, and two individuals.

Your Committee finds that the cost of prescription drugs is one of the main drivers of health care cost inflation nationwide. Your Committee further finds that the repackaging and compounding of prescription drugs is a means of artificially increasing the retail price of drugs by merely modifying packaging materials or delivery systems. Your Committee also finds that this measure will serve as an effective cost-containment strategy for the workers' compensation system without impacting an injured employee's access to needed medications. Furthermore, your Committee finds that this measure is not intended to apply to the practice of pharmacy that creates a specialized drug, consisting of more than one active ingredient, according to a doctor's prescription for certain individual patients nor to the practice of medicine whereby a doctor mixes or combines drugs for dispensing directly to a patient according to the patient's individualized needs.

Your Committee is not unsympathetic to concerns voiced by health care providers, especially those on the neighbor islands, that low rates of reimbursements and delays in receiving payment for medical care provided to workers' compensation patients affects providers' ability to effectively deliver care. Your Committee notes that the allowable reimbursement rate of one hundred percent of the drug's cost plus forty percent for repackaged or compounded drugs contained in this measure is one of the most generous in the nation. However, your Committee further finds that it is inappropriate for providers to recover costs by using repackaging or compounding schemes to recoup costs at the expense of workers' compensation insurers. Your Committee recommends that providers who find themselves at odds with workers' compensation insurance policies pursue remedies that reform that system instead of engaging in unfair business practices.

Your Committee has amended this measure by:

- (1) Clarifying that the restrictions on reimbursements for compounded medications apply only to physician-dispensed premixed or repackaged compounded medications; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1414, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6; Ayes with Reservations (Galuteria, Nishihara, Solomon, Slom, Taniguchi). Noes, 1 (Green). Excused, none.

**SCRep. 266 Commerce and Consumer Protection on S.B. No. 652**

The purpose and intent of this measure is to implement the recommendations of the Mortgage Foreclosure Task Force to reform the residential mortgage foreclosure process.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, the Mortgage Bankers Association of Hawaii, the Hawaii Financial Services Association, the Hawaii Bankers Association, FACE Maui, Catholic Charities Hawai'i, Hawaii Council of Associations of Apartment Owners, and Hawaii Credit Union League. Your Committee received testimony in support of the intent of this measure from Hawai'i Association of Realtors, and the ILWU Local 142. Your Committee received testimony in opposition to this measure from Kamole Beach Royal, Kehalani Gardens, the Hawaii chapter of Community Associations Institute, Laulima, LLC, and forty-three private individuals. Your Committee received comments on this measure from the Judiciary of the State of Hawaii, State Farm Insurance, Wailea Community Association, Kai Malu at Wailea, and one private citizen.

Your Committee finds that this measure is the product of the Mortgage Foreclosure Task Force convened pursuant to Act 162, Session Laws of Hawaii 2010. As such, this measure represents consensus among disparate interests including lenders, borrowers, homeowners' associations, and the regulatory agency. Your Committee finds that this measure is an important first step toward instituting important consumer protections in the nonjudicial power of sale foreclosure process. Your Committee notes that, pursuant to its authorizing legislation, the Mortgage Foreclosure Task Force will continue to meet through June 30, 2012, to develop further recommendations for reform of the residential mortgage foreclosure process. Finally, your Committee notes that the provisions of this measure are not intended to, nor do they, impact actions by a homeowners' association to collect on liens for unpaid fees from property owners within condominium and planned community associations.

Your Committee has amended this measure by:

- (1) Clarifying that the provisions of this measure do not apply to actions by condominium or planned community associations to collect on liens for unpaid fees from property owners within the condominium project or planned community association;

- (2) Amending the minimum time of residency required to qualify as an owner-occupant for foreclosure purposes to conform with the definition of owner-occupant under the State's tax code;
- (3) Providing for a twenty-one day notice of foreclosure to insurers of the subject property;
- (4) Adding provisions to require that public sales of real property pursuant to a nonjudicial power of sale foreclosure shall be held at the state building in the county seat of the county in which the subject property is located; provided that for the City and County of Honolulu, the Department of Accounting and General Services shall designate the appropriate state building and shall provide for notification to the Judiciary and the general public of the designated state building;
- (5) Making conforming amendments to related statutory sections;
- (6) Making the measure effective upon its approval; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 652, 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 (Slom).

**SCRep. 267 Economic Development and Technology on S.B. No. 1285**

The purpose and intent of this measure is to include agency-wide technology and computer systems with an estimated useful life of greater than seven years as capital investments to allow their costs to be financed with bond funds and depreciated as capital investments.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Education, and City and County of Honolulu.

Your Committee finds that the State has an immediate and pressing need to upgrade its legacy systems and hardware to ensure reliable, efficient, and effective technology solutions for state agencies and transparency and access to government records and services for the public. The Department of Accounting and General Services has testified that the replacement of the twenty-five year old Financial Accounting Management Information System has been estimated at \$50,000,000, and alternative systems are estimated at the same or a greater cost. With the State facing an \$800,000,000 deficit in the coming biennium, General Fund monies are less likely to be available for long-term, major system replacements.

Your Committee is in agreement that treating these agency-wide technology upgrades as a capital improvement project and allowing general obligation bond financing for these upgrades is one viable solution. Your Committee notes, however, that the competition for bond financing is as rigorous as the quest for General Fund support.

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. 1285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1285, 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. 268 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 638**

The purpose and intent of this measure is to authorize an exemption from county zoning-related building restrictions for an increase in floor area of the principal office of a planned community association.

Your Committees received testimony in support of this measure from Community Associations Institute, Hawaii Chapter; the Ewa by Gentry Community Association; and David O'Neal. Your Committees received testimony in opposition to this measure from the Department of Planning and Permitting, City and County of Honolulu.

Your Committees find that county zoning-related building restrictions prohibit an increase in floor area of the principal office of a planned community association, while community associations across the State continue to grow and service ever increasing numbers of citizens. The process of getting more area currently requires obtaining variances to increase the space needed, obtaining additional area zoned for commercial activity, or renting space in a commercial area outside of the common area owned by the association. In each of the first two instances, the associations are required to go through a costly, time-consuming process. In the third instance, the membership bears an inefficient and unnecessary cost. Your Committees find that this measure directly addresses the current needs of planned community association offices statewide.

Your Committees have amended this measure by:

- (1) Clarifying the formula for calculating the maximum allowable increase to the floor area of a principal office building;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 638, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 638, 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, 2 (Shimabukuro, Tokuda).

**SCRep. 269 Water, Land, and Housing on S.B. No. 717**

The purpose and intent of this measure is to:

- (1) Remove the authority of the Chairperson of the Board of Land and Natural Resources to dispose of abandoned vessels found on private property; and
- (2) Make owners of public or private property responsible for and authorized for the disposition of abandoned vessels found on their respective property.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and the Ocean Tourism Coalition. Your Committee received testimony in opposition to this measure from the Department of the Corporation Counsel, City and County of Honolulu; Department of Parks and Recreation, City and County of Honolulu; and Department of Customer Services, City and County of Honolulu.

Your Committee finds that the responsibility of disposing of all abandoned vessels currently rests with the Department of Land and Natural Resources. In the last seven years, the Department has had to pay in excess of \$750,000 to remove abandoned vessels. Your Committee further finds that shifting the responsibility for disposing of abandoned vessels to the appropriate owners of property on which an abandoned vessel is located will alleviate strain on the Department's resources, while providing for a more efficient disposal process.

Your Committee has amended this measure by:

- (1) Making the duty of the Chairperson of the Board of Land and Natural Resources to take into custody and dispose of certain abandoned vessels mandatory rather than discretionary; 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 717, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 717, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tokuda).

**SCRep. 270 (Majority) Water, Land, and Housing on S.B. No. 580**

The purpose and intent of this measure is to:

- (1) Establish prohibitions, penalties, and fines for knowingly selling aquatic life for aquarium purposes taken from waters within the jurisdiction of the State;
- (2) Require an aquarium permit to take marine or freshwater nongame fish and other aquatic life for aquarium purposes; and
- (3) Impose new standards for aquarium permit issuance determinations.

Your Committee received testimony in support of this measure from one county agency, seventeen private entities, and one hundred and fifty-five individuals. Your Committee received testimony in opposition to this measure from one state agency, sixteen private entities, and thirty-nine individuals.

Your Committee finds that the scientific evidence relating to fish populations in Hawaiian waters is disputed. Various individuals, agencies, and institutions have reached conflicting conclusions regarding the populations of the species of fish most involved in the aquarium trade. Your Committee received a large amount of testimony in opposition to this measure, and understands that the aquarium industry employs hundreds of Hawaii workers at a time of economic insecurity. However, your Committee further finds that preservation and protection of Hawaii's reef fauna is an important responsibility that will benefit the ocean tourism industry that attracts thousands of visitors to Hawaii each year.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting language to:
  - (A) Establish two Marine Life Conservation Districts in state marine waters not to extend further than three miles from the shoreline of the Island of Maui; and
  - (B) Require the Department of Land and Natural Resources to report to the Legislature on the effectiveness and enforcement of these conservation district designations; 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 580, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Fukunaga, Tokuda).

**SCRep. 271 (Joint/Majority) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 1556**

The purpose and intent of this measure is to exempt qualified residential and commercial developers if they engage in a development that is within a one-half-mile radius from a rail train station.

Your Committees received testimony in opposition to this measure from the Department of Transportation Services, City and County of Honolulu; Department of Planning and Permitting, City and County of Honolulu; The Outdoor Circle; the Sierra Club, Hawai'i Chapter; and Daisy Murai. Your Committees received comments on this measure from the Department of Transportation and the Hawaii Community Development Authority.

Your Committees find that transit-related development is a major solution to the serious and growing problems related to imported oil and global warming by creating dense, walkable communities connected to a train line that greatly reduces the need for driving and the burning of fossil fuels. Transit-oriented developments ideally include retail, office, open space, and community uses, and provide residents with a sense of place. Your Committees believe that the expedited permitting and planning processes provided for in this measure would stimulate efforts to increase density within the urban core, while promoting the growth of mixed use neighborhoods around planned rail transit stations.

Your Committees encourage your Committee on Ways and Means to determine whether qualified developers should apply directly to the mayor or mayor's designee for each county, prior to presentation of the application to the county council.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1556, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1556, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 1 (Slom). Excused, 2 (Shimabukuro, Tokuda).

**SCRep. 272 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 248**

The purpose and intent of this measure is to:

- (1) Prohibit the imposition of impact fees in urban land use districts; and
- (2) Require the Department of Transportation to charge nominal fees for the disposal of easements within, and access rights along, state highways.

Your Committees received testimony in opposition to this measure from the Department of Transportation.

Your Committees find that local jurisdictions charge impact fees to developers to offset the costs of off-site capital improvements that are necessitated by and benefit the new development. However, off-site capital improvements are frequently unnecessary in densely populated urban areas, where infrastructure already exists to support new developments. This measure restricts the monetary value that can be assessed by the Department of Transportation for disposal of easements and rights of way to a nominal amount. Your Committees learned through testimony that this provision may jeopardize the bulk of federal funds provided for state highway projects.

Therefore, your Committees have amended this measure by:

- (1) Eliminating the provision restricting assessments by the Department of Transportation to nominal amounts; and
- (2) 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 Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 248, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 248, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Shimabukuro, Tokuda, Slom).

**SCRep. 273 Water, Land, and Housing on S.B. No. 1219**

The purpose and intent of this measure is to implement a Lana'ihale Watershed Management Plan to protect Lana'ihale, which is a critical fresh water recharge area for the Island of Lanai.

Your Committee received testimony in support of this measure from Hawaiian Electric Company, Inc.; Ocean Tourism Coalition; and Conservation Council for Hawai'i. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that more than sixty-five percent of the Island of Lanai's primary aquifer's recharge comes from fog drip, and that the aquifer is the only viable water source for the island. Studies indicate that the forest area around Lana'ihale contributes to fog drip, and that the loss of forest cover will reduce precipitation and recharge of the aquifer. Your Committee finds that the implementation of a watershed management plan will contribute to the protection of the forest.

Your Committee recognizes and appreciates the testimony received in support of the measure as originally drafted. However, your Committee has amended this measure by:

- (1) Deleting the appropriation of General Fund monies to support the Lana'ihale Watershed Management Plan;
- (2) Inserting a provision that requires solely private sources of funding to establish and maintain the Lana'ihale Watershed Management Plan; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1219, 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, Tokuda).

**SCRep. 274 Water, Land, and Housing on S.B. No. 734**

The purpose and intent of this measure is to permit certain state taxpayers to designate a portion of their state income tax refunds to the Natural Area Reserve Fund, the Land Conservation Fund, and the Rental Housing Trust Fund.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Ocean Tourism Coalition; Hawai'i Association of REALTORS; The Nature Conservancy; and Conservation Council for Hawai'i. Your Committee received testimony in opposition to this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure would provide taxpayers with the option to donate a portion of their state income tax refund to one of these programs without reducing the amount of tax going to other state programs. Your Committee further finds that the Natural Area Reserve Fund and the Land Conservation Fund have experienced reductions in state funding for the past two years, due to decreases in conveyance tax revenues, while the funds continue to support essential services. Your Committee also finds that the Rental Housing Trust Fund supports programs that provide rental housing opportunities, particularly for low-income households.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 734, 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, Tokuda).

**SCRep. 275 Water, Land, and Housing on S.B. No. 1220**

The purpose and intent of this measure is to:

- (1) Designate the Lana'i Community-Based Fishery Resource Management Area; and
- (2) Establish the Lana'i Community-Based Fishery Resource Management Area Advisory Committee.

Your Committee received testimony in support of this measure from the Hawaiian Electric Company, Inc. and the Ocean Tourism Coalition. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committee finds that implementing a Community-Based Fishery Resource Management Area Program fully concords with the purpose and intent of Act 212, Session Laws of Hawaii 2007, which established the 'Aha Kiole Advisory Committee and found that traditional natural resources management practices can be compatible with western concepts of resource management. Your Committee further finds that the Lana'i community has expressed concerns relating to overfishing and the impact that overfishing has on the subsistence lifestyle on the Island of Lana'i. Your Committee also finds that the residents of Lana'i have knowledge of the fishery resources that exist in their island environment and how best to sustain them.

Your Committee has amended this measure by:

- (1) Providing that private funding sources, rather than general revenues of the State, shall provide the monies to establish and maintain the Lana'i Community-Based Fishery Resource Management Area Program; 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1220, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1220, 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, Tokuda).

**SCRep. 276 Water, Land, and Housing on S.B. No. 42**

The purpose and intent of this measure is to:

- (1) Require the Department of Land and Natural Resources to review the safety records of nearshore areas statewide;

- (2) Require the Department to report to the Legislature the results of the review, including any recommendations for increasing public safety in nearshore waters; and
- (3) Appropriate General Fund monies for swimming buoys at Kaanapali Beach.

Your Committee received testimony in support of this measure from the Ocean Tourism Coalition, Darrell Tanaka, and Tamara Paltin. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committee finds that increased recreational and commercial activities in Hawaii's nearshore waters have led to safety concerns and, in some cases, tragic results. In October 2009, a young diver died after being struck by a boat in Maunalua Bay on the Island of Oahu, a bay popular with divers, swimmers, and other ocean recreational users. Other nearshore areas of the state are also popular attractions for multiple ocean activities - one such area is Kaanapali Beach on the Island of Maui. Installing safety features such as swimming buoys at Kaanapali Beach to more clearly delineate areas reserved for differing uses would ensure greater safety. Your Committee also finds that given the popularity of ocean activities in nearshore areas statewide, a comprehensive safety review of all nearshore areas is warranted.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 42, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 42, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tokuda).

**SCRep. 277 (Joint) Public Safety, Government Operations, and Military Affairs and Health on S.B. No. 175**

The purpose and intent of this measure is to transfer jurisdiction over the Medical Use of Marijuana Program from the Department of Public Safety to the Department of Health.

Your Committees received testimony in support of this measure from five community organizations and thirty-two individuals. Testimony in opposition was received from two state departments and one individual. Comments were received from one state department and one individual.

Your Committees find that responsibility for the Medical Use of Marijuana Program should be placed in a department that has experience working with groups of patients and health programs. Testimony indicated that easy access and easily understandable information are not currently available under the existing statutory scheme. This measure is a recommendation of the Medical Cannabis Working Group to the 2011 Legislature.

Your Committees have amended this measure by:

- (1) Requiring that the Department of Public Safety maintain a registration and certification confirmation service that is full time, operating twenty-four hours per day and seven days per week, and is accessible to the Department of Health;
- (2) Requiring the Department of Public Safety to facilitate the transfer of functions by collaborating with, cooperating with, and assisting the Department of Health with assuming jurisdiction of and responsibility for the Medical Use of Marijuana Program; and
- (3) Amending the language of the transfer of personnel functions, upon the recommendation of the Department of Human Resources Development, to specify that employees who are exempt from civil service and transferred as a consequence of this measure shall retain exempt status and not become civil service employees.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, 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. 175, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 175, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Nishihara, Shimabukuro).

**SCRep. 278 (Joint) Public Safety, Government Operations, and Military Affairs and Education on S.B. No. 1173**

The purpose and intent of this measure is to make an appropriation for the Department of Education to award a matching grant for space education programming services at Barbers Point Elementary School.

Your Committees received testimony in support of this measure from two private entities and six individuals.

Your Committees find that the Challenger Center of Hawaii is an important science, technology, engineering, and mathematics (STEM) program that prepares students for the twenty-first century workforce. The Challenger Learning Center at Barbers Point Elementary School provides professional training and materials to the State's teachers, as well as hands-on, integrated space-related thematic instruction to students. These students utilize STEM skills in real world applications as they learn teamwork, communication, problem solving, and decision making. Students are prepared for a successful future in Hawaii as teachers, stewards of education, and high technology professionals.

Testimony on this measure indicated that the minimum funding to continue to operate the Challenger Learning Center at Barbers Point Elementary School is \$100,000 for fiscal year 2011-2012. Your Committees learned that there is the possibility of forthcoming federal funding under the American Recovery and Reinvestment Act, along with private donations.

Your Committees believe that the Center should endeavor to become financially self-sufficient. Testimony indicated that the Center plans to incorporate as a 501(c) nonprofit for this purpose. Your Committees urge the Challenger Center of Hawaii to obtain any available federal grant monies rather than relying on appropriations and donations.

Your Committees have amended this measure by:

- (1) Deleting funding for fiscal year 2012-2013;
- (2) Deleting references to matching grants and matching funding from other sources;
- (3) Inserting an unspecified appropriation amount for fiscal year 2011-2012; and
- (4) Requiring the Challenger Center of Hawaii to formulate a plan to become financially self-sufficient for fiscal year 2012-2013 and thereafter, including the use of private donations, fees, and federal grant monies; and requiring the Center to report on its plan no later than twenty days prior to the convening of the Regular Session of 2012.

Your Committees respectfully request that, should your Committee on Ways and Means consider this measure; your Committee on Ways and Means consider inserting the provision in S.B. No. 1173 relating to the requirement for the recipient to provide a match to every \$1 awarded to the Department of Education in order to avoid any conflict with the title of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1173, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1173, 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 (Baker).

**SCRep. 279 (Joint) Public Safety, Government Operations, and Military Affairs and Health on S.B. No. 1308**

The purpose and intent of this measure is to authorize the Department of Public Safety to order an inmate or detainee in its custody to receive involuntary treatment, including the taking or application of medication, upon specified findings of a court order and upon procedural requirements.

Your Committees received testimony in support of this measure from one state department.

Your Committees find that current law is silent on any authority of the Department of Public Safety to require an inmate to receive psychological treatment, including the administration of medication. Under this measure, involuntary medical treatment may be ordered by the court if the court finds that: the subject poses a danger of physical harm to self or others; treatment with medication is medically appropriate; and considering less intrusive alternatives, the treatment is essential to forestall the danger posed by the subject.

The intent of your Committees is to improve the care of individuals who suffer from mental illness within the State's correctional system and to more efficiently provide needed care to detainees and inmates who refuse recommended treatment when their mental health is a reason for that refusal. Your Committees note that this measure intends to provide necessary constitutional safeguards, including the right to representation by counsel or by a public defender.

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 Public Safety, Government Operations, 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. 1308, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1308, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Chun Oakland, Nishihara, Shimabukuro).

**SCRep. 280 (Joint) Health and Public Safety, Government Operations, and Military Affairs on S.B. No. 219**

The purpose and intent of this measure is to prohibit physically restraining inmates who are pregnant or in postpartum recovery, unless extraordinary circumstances exist, in order to allow these inmates to give birth or recover from giving birth under safe and humane conditions.

Your Committees received testimony in support of this measure from the Hawai'i Women's Coalition. Your Committees received testimony in opposition to this measure from the Department of Public Safety.

Your Committees find that the use of restraints on an inmate who is pregnant or in postpartum recovery may jeopardize the health and safety of the inmate or the inmate's unborn child. Your Committees further find that this measure balances the concerns of an inmate or inmate's child's health and public safety by protecting pregnant inmates during labor and delivery of a child and inmates in postpartum recovery, while allowing for circumstances under which corrections officers may use restraints to prevent an inmate's escape or injury.

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 Health and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 219, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 219, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Nishihara, Shimabukuro).

**SCRep. 281 (Majority) Judiciary and Labor on S.B. No. 1089**

The purpose and intent of this measure is to strengthen statutory provisions regarding dislocated workers by:

- (1) Authorizing the Department of Labor and Industrial Relations to exercise enforcement powers against an employer of a "covered establishment" that does not provide its employees and the Director of Labor and Industrial Relations sufficient written notification of a closing, divesture, partial closing, or relocation of the employer's covered establishment; and
- (2) Amending the definition of a "covered establishment" from a business entity that employs fifty or more persons to one that employs at least one person.

Your Committee received testimony in support of this measure from ILWU Local 142. Your Committee received testimony in opposition to this measure from Retail Merchants of Hawaii and The Chamber of Commerce of Hawaii.

Your Committee finds that, under current law, when an employer of a covered establishment does not provide sufficient written notification of a closing, divesture, partial closing, or relocation of the employer's covered establishment, an aggrieved worker can only enforce the penalties provided in the law against the violating employer by filing a claim in court, which subjects the worker to expenses and delays that ultimately serve as a disincentive to the worker to assert that worker's rights under the law. The Department of Labor and Industrial Relations is in a far better position to enforce the notification law.

Your Committee also finds that the provision of the measure that adds small businesses with fewer than fifty employees to those covered establishments required to give the notification may be unduly onerous and unrealistic. As raised in testimony, in the current challenging economy, many small businesses have been forced to shut down on short notice due to difficulty in obtaining financing or a downturn in business. These small businesses may not be able to foresee when they will close in order to meet the required notification timeframe. Additionally, because these small businesses may close down for sudden financial reasons, they may not be able to pay the penalties required by the law.

Accordingly, your Committee has amended this measure by:

- (1) Deleting section 2 of the measure, thereby retaining the existing statutory definition of a "covered establishment" as a business entity that employs fifty or more persons during a particular time period; and
- (2) 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1089, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 282 Commerce and Consumer Protection on S.B. No. 99**

The purpose and intent of this measure is to update the functions of the Public Utilities Commission to respond more effectively to an increasingly complex regulatory environment.

Your Committee received testimony in support of this measure from the Governor of the State of Hawaii; the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Mauna Kea Banana Company; Maui Cattlemen's Association; Hawaii Cattlemen's Council; Kualapuu Market, Ltd.; Hawaii Food Industry Association; Kona-Kohala Chamber of Commerce; Maui Hotel & Lodging Association; Young Brothers, Limited; Suisan Company, Ltd.; Hawaii Foodservice Alliance LLC; Nalo Farms, Inc.; L&R Farm Ent LLC; Big Island Container Sales & Rentals, LLC; KOA Trading Company; Lanai Oil Company; Ocean Tourism Coalition; Life of the Land; Molokai Chamber of Commerce Foundation; and Hawaii Farm Bureau Federation. Your Committee received testimony supporting the intent of this measure from Blue Planet Foundation and Hawaii Renewable Energy Alliance. Your Committee received testimony in opposition to this measure from Haiku Design & Analysis. Your Committee received comments on this measure from the Public Utilities Commission of the Department of Budget and Finance.

Your Committee finds that the current composition and operational structure of the Public Utilities Commission is insufficient to provide adequate oversight of the State's rapidly changing and expanding regulated utility market. The Public Utilities Commission has long been hamstrung by inadequate funding, insufficient staffing, and nonexistent neighbor island representation. Your Committee finds that the growing importance of the neighbor islands to the State's alternative energy and sustainable agriculture economies merits guaranteed representation of neighbor island interests on the Public Utilities Commission.

Your Committee further finds that the growing complexity of issues related to the regulated marketplace, including energy provision, transportation, and telecommunications, demands more and more specialized knowledge and expertise on the part of regulators. Your Committee also finds that the purpose of the provisions of this measure creating subject-matter specific panels and requiring diverse background experience within the Public Utilities Commission is to foster the development of expertise among the Commissioners. Your Committee notes that this measure includes an expiration date and legislative reports for the panel structure created by this measure. Your Committee recognizes that the panel structure is a novel development with no antecedent to predict its

chances of success. Therefore, your Committee has included a means for the Legislature to monitor the progress of the panels and to provide for their modification or repeal as necessary.

Your Committee has amended this measure by:

- (1) Clarifying notice requirements for hearings on the issuance of certificates of public convenience and necessity to water carriers;
- (2) Providing for diversity of professional background and expertise among Commissioners of the Public Utilities Commission;
- (3) Providing for neighbor island representation on the Commission by requiring that at least two Commissioners represent the counties of Hawaii, Kauai, and Maui and requesting that the Governor consider geographic and professional diversity in the composition of the Commission in making appointments to the Commission;
- (4) Clarifying that the subject-matter panels created by this measure shall take action on each matter within their jurisdiction and that action of the panels constitutes action of the Commission as a whole;
- (5) Clarifying the factual basis required for a finding that a proposed water carrier service will provide demonstrable and quantifiable benefits to the public;
- (6) Requiring that the Commission report annually to the Legislature on the implementation and operation of the subject-matter panels created by this measure and adding a six-year expiration date for the panels; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 99, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 99, 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 (Slom).

**SCRep. 283 Commerce and Consumer Protection on S.B. No. 1522**

The purpose and intent of this measure is to establish licensure and regulatory requirements for large-scale dog breeding operations.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, The Humane Society of the United States, Hawaiian Humane Society, West Hawaii Humane Society, Student Animal Legal Defense Fund, Molokai Advertiser-News, Poi Dogs and Popoki, Boxer Club of Hawaii, and one thousand thirty-two private individuals. Your Committee received testimony in opposition to this measure from the American Kennel Club and twenty-five private individuals. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that dog breeding is currently unregulated in Hawaii. Further, while animal cruelty laws do exist, they are insufficient to allow for effective enforcement, particularly since current law does not allow entry onto property for investigation of suspected violations. Your Committee finds that unscrupulous breeding programs not only harm breeding animals that are kept under inhumane conditions, but also produce puppies that are sold to unsuspecting consumers despite their unsuitability as pets due to health problems.

Your Committee notes that, since dog breeding is currently an unregulated industry, any measure to create a regulatory system for this activity is subject to a sunrise review by the State Auditor pursuant to section 26H-6, Hawaii Revised Statutes. Your Committee is mindful of this requirement, but nevertheless urges thoughtful consideration of this measure in order to present the Auditor with the opportunity for meaningful review of this important issue. Your Committee further notes that proponents of this measure have cited the law of the State of Wisconsin as a useful model for Hawaii to follow in regulating dog breeders. Your Committee respectfully requests that a sunrise review based on this measure also include consideration of the Wisconsin law and its potential applicability to Hawaii.

Your Committee has amended this measure by:

- (1) Inserting a provision to limit the total number of intact dogs owned or harbored by a licensee to fifty; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1522, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Galuteria).

**SCRep. 284 Commerce and Consumer Protection on S.B. No. 1272**

The purpose and intent of this measure is to amend provisions of the Insurance Code governing certain providers of health care benefits in order to conform to the National Association of Insurance Commissioners' Risk-Based Capital for Health Organizations Model Act.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association.

Your Committee finds that the amendments to the Insurance Code made by this measure are necessary to enable the Insurance Division of the Department of Commerce and Consumer Affairs to retain its accreditation by the National Association of Insurance Commissioners and to guarantee that the Insurance Code contains adequate solvency requirements for all providers of insurance to protect consumers. Your Committee further finds that this measure creates consistency within the Insurance Code by applying standards that currently govern property and casualty insurers, life insurers, and accident and health or sickness insurers to mutual benefit societies, fraternal benefit societies, and health maintenance organizations.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1272, 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 (Galuteria).

**SCRep. 285 (Joint) Commerce and Consumer Protection and Health on S.B. No. 1453**

The purpose and intent of this measure is to direct the Insurance Commissioner to develop a standardized prior authorization request form and process to be used by health care providers and insurers.

Your Committees received testimony in support of this measure from Hawaii Medical Association, University of Hawai'i System, Hawai'i State Center for Nursing, 'Ohana Health Plan, the American Cancer Society, The American Congress of Obstetricians and Gynecologists, the Power of Pain Foundation, the Neuropathy Action Foundation, The Alliance for Plasma Therapies, Pharmaceutical Research and Manufacturers of America, FACE Health Care Committee, the Hawaii Academy of Physician Assistants, and five private individuals. Your Committees received testimony in opposition to this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and AlohaCare. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that the prior authorization process is not standardized across insurers and providers and is often conducted without the benefit of communications technology, thereby creating unnecessary administrative burdens and costs to health care providers and health insurers. The current process also results in delays in filling patient prescriptions and potentially adverse health effects. Your Committees further find that the stakeholders in the issue of prior authorization for prescription medications represent important perspectives on this complex issue. Therefore, your Committees find that it is appropriate to convene a working group of diverse stakeholders for the purpose of considering the issue of prior authorization for prescription medication and making recommendations for future legislative action based on a consensus of the participants.

Your Committees have amended this measure by deleting its contents and replacing them with provisions to:

- (1) Establish the Prescription Medication Prior Authorization Working Group to consider the issue of insurers' prior authorization requirements for prescription medications and make recommendations for legislative action based on consensus of the participants;
- (2) Provide for the structure and composition of the Prescription Medication Prior Authorization Working Group; and
- (3) Reflect the amended purpose of this measure and related legislative finding.

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. 1453, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1453, 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 (Galuteria, Shimabukuro, Solomon, Sлом).

**SCRep. 286 Commerce and Consumer Protection on S.B. No. 1276**

The purpose and intent of this measure is to update the Insurance Code in order to streamline operations and improve administrative efficiency in the Insurance Division, assist the Insurance Division in retaining its accreditation, and reduce the cost of insurance regulation.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association.

Your Committee finds that this measure harmonizes the Insurance Code with applicable provisions of federal law, including the standards and regulations of the National Association of Insurance Commissioners and requirements of federal health care reform laws, thus improving reciprocity with other states and contributing to the maintenance of the Insurance Commission's accreditation. Your Committee further finds that this measure standardizes language across the Insurance Code, thus promoting consistency and clarity within the law. Finally, your Committee finds that this measure updates fees and other provisions in the Insurance Code to enable the efficient administration of the Insurance Division.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1276, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 287 (Joint) Commerce and Consumer Protection and Health on S.B. No. 1348**

The purpose and intent of this measure is to establish the initial structural and regulatory framework for a health insurance exchange, known as the Hawaii Health Connector, to comply with the requirements of the federal Patient Protection and Affordable Care Act.

Your Committees received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs, the Department of Human Services, the Hawaii Medical Service Association, the Hawaii Association of Health Plans, the Healthcare Association of Hawaii, American Cancer Society Hawai'i Pacific, Inc., the National Multiple Sclerosis Society, Puna Community Medical Center, and Hawaii Medical Association. Your Committees received comments on this measure from the American Family Life Insurance Company of Columbus, the Legislative Research Bureau, and one individual.

Your Committees find that the federal Patient Protection and Affordable Care Act requires each state to establish a health insurance exchange to regulate health insurance plans and distribute information to consumers. Under the federal law, if a state does not establish an exchange that complies with minimum standards, the federal government will take over that function, thus removing the state's regulatory authority. Your Committees find that it is in the best interest of the State to retain regulatory control over all aspects of its domestic insurance industry. Your Committees further find that the establishment and implementation of the Hawaii Health Connector will be an ongoing process requiring continuing dialogue among stakeholders and consideration of a variety of issues. Therefore, your Committees have empowered the State Health Insurance Exchange Task Force initially convened by the Insurance Commissioner to thoroughly investigate the issues and make recommendations for the management of the Hawaii Health Connector. Finally, your Committees find that it is prudent to take concrete steps now to ensure that the State is able to timely implement the Hawaii Health Connector in accordance with federal law in order to preserve the State's continuing eligibility for federal grants and technical assistance.

Your Committees have amended this measure by:

- (1) Amending the definition of "insurer" to ensure that all relevant entities are included;
- (2) Amending funding provisions to reflect the requirements of federal law; 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 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. 1348, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1348, 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 (Galuteria, Shimabukuro, Solomon, Slom).

**SCRep. 288 (Joint) Economic Development and Technology and Public Safety, Government Operations, and Military Affairs on S.B. No. 1161**

The purpose and intent of this measure is to expedite the deployment of high-speed broadband technology in Hawaii by exempting:

- (1) Broadband infrastructure improvements from state or county permitting requirements for five years; and
- (2) Telecommunications companies from replacing existing utility poles when installing new or improving existing telecommunications cables, with certain exceptions.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Transportation, High Technology Development Corporation, and Hawaiian Telecom. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Department of Planning and Permitting and a member of the Maui County Council. Your Committees received comments on this measure from Hawaiian Electric Company, Inc., and tw telecom.

Your Committees find that pursuant to Act 199, Session Laws of Hawaii 2010, the Department of Commerce and Consumer Affairs Cable Television Division was required to convene a work group to discuss and develop procedures to streamline the state and county permitting process for broadband services. The work group met four times in 2010, and consulted with private wired and wireless broadband providers to gain an overview of the many obstacles that impede the expeditious deployment of broadband infrastructure and the specific challenges faced by telecommunications providers when they attempt to attach new fiber cables to existing utility poles. This measure addresses those concerns.

Your Committees note that county stakeholders have objected to the short-term waiver provisions of this measure, which were intended to provide an expedited process to support the State of Hawaii's implementation of its federal American Recovery and Reinvestment Act of 2009 grants, as well as to help streamline private providers' broadband permitting needs.

The purpose of the permitting work group was to resolve county permitting and other regulatory issues expeditiously, and members of the work group were appointed to assist the Legislature in addressing areas of disagreement with dispatch. In light of the opposition now being raised by county stakeholders, your Committees urge the Department's Cable Television Division to immediately convene follow-up meetings of the work group so that pending objections can be addressed during the 2011 legislative session.

Your Committees have amended this measure accordingly, by inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1161, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1161, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 289 (Joint) Human Services and Health on S.B. No. 1468**

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Patient Centered Health Home pilot program within the Medicaid program; and
- (2) Establish the Hawaii Medicaid Modernization and Innovation Council.

Your Committees received testimony in support of this measure from Hawaii Medical Service Association; American Osteopathic Association; Hawaii Association of Osteopathic Physicians and Surgeons; Healthcare Association of Hawaii; Hawai'i Primary Care Association; AlohaCare; Hawaii Medical Association; Ho'ola Lahui Hawai'i; Hamakua Health Center, Inc.; Puna Community Medical Center; Malama I Ke Ola Health Center; Bay Clinic, Inc.; Hawaii Academy of Physician Assistants; Kauai Community Health Alliance; Waimanalo Health Center; Lana'i Community Health Center; Moloka'i Community Health Center, and four individuals. Your Committees received testimony in opposition to this measure from the Department of Human Services. Your Committees received comments on this measure from the Office of Information Practices, 'Ohana Health Plan, and one individual.

Your Committees find that a patient centered health home is a model of delivering comprehensive, integrated, and holistic health care services, including preventative and lifestyle health services to patients. The purpose of patient centered health homes is to improve continuity of care by strengthening the relationship between a primary care physician and a patient. Your Committees further find that the idea is to work as a team when approaching the health care needs of patients. The benefits include increased understanding of a patient's health care needs and the ability to direct any questions or concerns to one source.

Your Committees also find that almost forty states have implemented a form of the patient centered health home, and all of them have shown improvements in care or cost. A patient centered health home is an excellent way to cut wasteful spending and give patients better access to care.

Your Committees additionally find that under the Affordable Care Act, Public Law 111-148, the federal Centers for Medicare and Medicaid Services were directed to formally establish a new Center for Medicare and Medicaid Innovation, the Innovation Center. Accordingly, your Committees find that creating a Hawaii council to focus on innovation in local Medicaid issues is an appropriate complement to the national efforts of the Innovation Center.

Your Committees have heard the concerns regarding allowing council members to have standing subcommittees and workgroups that appear to function outside of Hawaii's Sunshine Law. Your Committees note that it would be in the best interest of the council to use existing permitted interactions established under the Hawaii Revised Statutes, and conduct its business consistent with all other government boards.

Your Committees have amended this measure by:

- (1) Adding the following persons to serve on the Hawaii Medicaid Modernization and Innovation Council:
  - (A) A representative from a hospital;
  - (B) A representative from a physician's group;
  - (C) A representative from the health care provider industry;
  - (D) A physician assistant;
  - (E) An individual with a finance background; and
  - (F) A social worker;
- (2) Deleting the provision in section 3 of this measure which would have allowed two or more council members, but less than a quorum, to discuss matters relating to official council business in the course of their participation in a workgroup or subcommittee; 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1468, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1468, 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, Ihara, Wakai).

**SCRep. 290 Human Services on S.B. No. 1508**

The purpose and intent of this measure is to provide additional funding for the Kupuna Care program.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Policy Advisory Board for Elder Affairs, National Multiple Sclerosis Society, AARP Hawaii, Lanakila Pacific, Child & Family Service, Catholic Charities Hawai'i, Project Dana, and fifteen individuals.

Your Committee finds that the elderly population in Hawaii is one of the fastest growing in the country. The number of persons over age sixty-five is increasing rapidly and is projected to increase by eight-six percent between 2007 and 2030.

Your Committee further finds that because Hawaii's culture and values revolve around family, most caregiving of the elderly in Hawaii is provided by family members. Approximately 169,000 family caregivers form the backbone of Hawaii's long-term care system, and currently provide over \$1,000,000,000 a year in unpaid care. Financial stability and the burden of providing care are the main issues for the elderly and their caregivers and families, and your Committee recognizes that they need help in the form of respite and other services.

Your Committee also finds that the Kupuna Care program is a home- and community-based program designed to address the increased need for affordable long-term care and the desire by many kupuna to remain in the community. The goal of Kupuna Care is to give Hawaii's older adults access to affordable and quality home- and community-based services that are client-centered and family-supportive, allowing the elderly to live with independence and dignity.

Your Committee further finds that the Kupuna Care program is directed at serving those who fall through the gaps in coverage or eligibility for essential services. It provides a safety net to prevent institutionalization and support seniors in their homes. The waitlist for Kupuna Care services continues to grow as the senior population in Hawaii increases.

Your Committee finds that funding for Kupuna Care services is of vital importance, as these services target the most isolated and vulnerable seniors in Hawaii.

Your Committee notes that an additional \$3,500,000 is needed for Kupuna Care, and your Committee recommends that an appropriation of this amount be added to the base budget of Kupuna Care to allow the program to continue meeting the needs of the senior community.

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. 1508 and recommends that 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. 291 Human Services on S.B. No. 945**

The purpose and intent of this measure is to implement some of the recommendations submitted by the Hawaii State Asset Building and Financial Education Task Force by:

- (1) Establishing a refundable state earned income tax credit;
- (2) Requiring the Department of Human Services to provide financial education to applicants for and recipients of Temporary Assistance for Needy Families; and
- (3) Amending provisions in the Hawaii Revised Statutes relating to Individual Development Accounts.

Your Committee received testimony in support of this measure from Hawai'i Alliance for Community-Based Economic Development; University of Hawai'i Bridge to Hope; Aloha United Way; Goodwill Industries of Hawaii, Inc.; Hawai'i Women's Coalition; and Hawaii Democratic Women's Caucus. Your Committee received comments on this measure from the Department of Human Services, the Department of Taxation, and the Tax Foundation of Hawaii.

Your Committee finds that the purpose of the earned income tax credit is to provide a financial boost to those who work. To qualify for this credit, an individual must have earned income, typically from wages. The earned income tax credit is effective because it encourages people to work in order to qualify. Under this measure, an individual taxpayer that qualifies for the federal earned income tax credit may claim a percentage of the earned income credit allowed and reported on the individual's federal income tax return. Your Committee further finds that a state earned income tax credit can help working families in Hawaii by supplementing incomes, creating an incentive to work, and assisting with asset building.

Your Committee notes that this measure requires a taxpayer making a claim for the earned income tax credit to use the same filing status for state tax purposes that the individual used for federal tax purposes. For the federal credit, married individuals must file a joint return to be eligible to claim the credit. This measure allows married taxpayers filing separately to elect how to divide the tax credit. Your Committee has heard testimony that this provision should be stricken to remain in conformity with the federal credit.

Your Committee further finds that financial education helps families acquire information and skills necessary to take control of their personal finances. Possessing this information and these skills allows families to plan for the future and build assets. Your Committee finds that this measure will provide Temporary Assistance for Needy Families recipients with a firm grounding in financial management practices.

Your Committee additionally finds that Individual Development Accounts are matched savings accounts that enable low-income families to save, build assets, and enter the financial mainstream. Individual Development Accounts reward working families who are building toward an asset, such as buying a home, paying for college, or starting a small business.

Your Committee understands the concerns regarding the Department of Human Services' lack of expertise regarding the fiduciary responsibilities required for the Individual Development Accounts program. Your Committee understands that it is important to allow the Department of Human Services the ability to contract with an appropriate agency who can offer technical and administrative assistance to fiduciary organizations.

Your Committee also understands the concerns regarding the use of Temporary Assistance for Needy Families funds for Individual Development Accounts. Your Committee notes that the Department of Human Services' primary source of federal funding is Temporary Assistance for Needy Families funds. Your Committee also notes that using federal Temporary Assistance for Needy Families funds may limit some aspects of the Individual Development Accounts program, including how the money in the accounts may be used.

Your Committee understands the concerns regarding replacing the references to the "State" with the "Department of Human Services" in chapter 257, Hawaii Revised Statutes. Your Committee notes that the Department of Human Services is not the only Department that may issue Individual Development Accounts, and replacing "State" with "Department of Human Services" may limit the kinds of Individual Development Accounts that may be issued.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provision that would have allowed married individual taxpayers to file separately to divide an allowable tax credit between themselves;
- (2) Adding a disallowance provision targeted at taxpayers who made prior fraudulent or reckless claims;
- (3) Adding a due diligence requirement for tax return preparers;
- (4) Requiring the Department of Human Services to contract with an appropriate agency who can provide technical and administrative assistance to fiduciary organizations;
- (5) Deleting the provision that would have allowed the State to use Temporary Assistance for Needy Families funds for the Individual Development Account program;
- (6) Deleting the amendments to chapter 257 that replaced references to "State" with the "Department of Human Services"; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 945, 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 (Slom).

**SCRep. 292 Human Services on S.B. No. 906**

The purpose and intent of this measure is to better assist individuals facing or experiencing homelessness by making a grant to fund a full-time 211 Homeless Care Coordinator position at Aloha United Way.

Your Committee received testimony in support of this measure from Aloha United Way and one individual. Your Committee received testimony in opposition to this measure from the Department of Human Services and the Chancery Office of the Roman Catholic Diocese of Honolulu.

Your Committee finds that one of the many challenges faced when addressing the State's homelessness problem is that although there is a wide variety of services that are available to help the homeless, services are provided by multiple agencies with different eligibility criteria and, in some cases, limited geographical coverage.

Your Committee further finds that Aloha United Way 211 is an excellent way to help people navigate through an often confusing array of services and providers. Aloha United Way 211 is a free, confidential information and referral service that is available statewide, fifteen hours a day, five days a week. Dialing 2-1-1 immediately provides callers with access to a specialist who directs callers to more than four thousand programs and services as appropriate to their needs. Aloha United Way 211 offers vital information to people seeking referrals or access to homeless shelters, food pantries, rent payment assistance, health insurance, and other public assistance programs.

Your Committee also finds that in 2009, over forty-two thousand people called Aloha United Way 211. In 2010, Aloha United Way 211 handled forty-three thousand requests for help, leading to over sixty thousand referrals. With the downturn in the economy, many of these callers desired assistance with basic human needs such as shelter and food. Over six thousand calls were requests for services to help homeless individuals or those individuals on the verge of becoming homeless.

Your Committee notes that the cost to fund a part-time 211 Homeless Care Coordinator position at Aloha United Way would be \$30,000 a year.

Your Committee has heard the concerns regarding the limited availability of monies from the General Fund. Your Committee has also heard the concerns regarding the fact that requests for assistance are primarily being made at homeless drop-in centers. Your Committee believes that these concerns merit further discussion by the Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Amending section 1 of this measure to reflect the correct operating hours of Aloha United Way 211, based on testimony provided by Aloha United Way;

- (2) Deleting references to a “full-time 211 Homeless Care Coordinator position” and adding references to a “part-time 211 Homeless Care Coordinator position”; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 906, 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 (Slom).

**SCRep. 293 (Joint) Human Services and Health on S.B. No. 926**

The purpose and intent of this measure is to appropriate funds for a variety of early childhood and school readiness programs in the State.

Your Committees received testimony in support of this measure from the Department of Health, the Early Learning Council, the Hawaii Family Support Institute, the Hawaii Association of Independent Schools, Child & Family Service, and the Good Beginnings Alliance. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that in 2010 less than twenty-one percent of Hawaii’s public school kindergarten classes consistently displayed literary concepts and skills necessary for success in school, which is a drop of four percent from 2009. Your Committees also find that less than twenty-three percent of Hawaii’s public school kindergarten classes consistently displayed an understanding of math concepts and skills necessary for success in school, which is a drop of seven percent from 2009. Your Committees further find that many services designed to help children succeed in school have been eliminated or drastically cut over the past two years. This measure responds to this serious situation by funding programs designed to address school readiness and early childhood development.

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. 926 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Baker, Ihara, Wakai).

**SCRep. 294 (Joint) Human Services and Water, Land, and Housing on S.B. No. 1394**

The purpose and intent of this measure is to allow the Hawaii Public Housing Authority to enter into contracts with eligible developers to develop public housing projects in exchange for mixed use development rights.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority.

Your Committees find that the Hawaii Public Housing Authority’s ability to develop new housing for Hawaii’s lowest income populations should be expanded. Your Committees also find that the financial self-sustainability of the Hawaii Public Housing Authority’s developments will improve if the Authority can create incentives for partnerships with market-rate housing developers. This will provide tenants of the Hawaii Public Housing Authority with improved access to commercial services and employment opportunities.

As affirmed by the records of votes of the members of your Committees on Human Services and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1394 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 295 (Joint) Human Services and Health on S.B. No. 125**

The purpose and intent of this measure is to:

- (1) Establish an employment training and placement program for persons with intellectual and developmental disabilities; and
- (2) Require the Department of Human Services to seek a Medicaid waiver to fund the program.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, Hawaii Disability Rights Center, Lanakila Pacific, The Arc of Hilo, and one individual. Your Committees received testimony in opposition to this measure from the Department of Health. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that there are numerous barriers to employment for persons with developmental disabilities. Some people incorrectly assume that persons with developmental disabilities are not capable or employable. Your Committees recognize the ability of all persons to benefit from employment.

Your Committees also find that the matching federal funding provided in this measure would provide much needed training and employment opportunities for those who are transitioning from formal education and waiver programs. This program would be a positive step toward improving the quality of life for these citizens who wish to be contributing members of their communities.

Your Committees have amended this measure by:

- (1) Requiring the Department of Human Services to work in conjunction with the Department of Education and the Department of Health in establishing the employment and placement program for persons with intellectual and developmental disabilities; and
- (2) 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 125, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 125, 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, Ihara, Wakai).

**SCRep. 296 Education on S.B. No. 931**

The purpose and intent of this measure is to make an appropriation for the operations of the Early Learning Council.

Your Committee received testimony in support of this measure from the Department of Education, Kamehameha Schools, the Hawaii Association of Independent Schools, the Early Learning Council, and the Good Beginnings Alliance.

Your Committee finds that the Early Learning Council provides valuable guidance and direction to the development of Hawaii's comprehensive early learning system. Your Committee further finds that the Early Learning Council will be receiving an appropriation in the amount of \$250,000 through the Governor's budget.

Accordingly, your Committee has amended this measure by:

- (1) Removing the appropriation to the Early Learning Council;
- (2) Requiring the Early Learning Council, with the assistance of the Department of Education, Department of Health, and Department of Human Services, to develop a fiscal mapping study to include the identification and development of a direct funding stream, including private funding, donations, and grants;
- (3) Requiring the Early Learning Council to report its findings on the fiscal mapping study to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012; and
- (4) Amending the effective date to make this measure effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 931, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 297 Education on S.B. No. 808**

The purpose and intent of this measure is to provide the Board of Education with flexibility to establish the compensation of the Superintendent, Deputy Superintendent, Assistant Superintendents, Complex Area Superintendents, and the State Librarian by authorizing it to grant annual performance bonuses to individuals in these state leadership positions.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that existing statutory caps on the salaries of the Deputy Superintendent, Assistant Superintendents, and Complex Area Superintendents create a challenge in recruiting for and filling these positions. Removing salary caps on these positions will make the positions more competitive and will enhance the ability of the State to recruit the most qualified and experienced individuals.

Your Committee has amended this measure by:

- (1) Reinstating the \$150,000 cap on the Superintendent's salary;
- (2) Removing authorization for the Board of Education to grant annual performance bonuses for the Superintendent and State Librarian; and
- (3) Capping the salaries of the Deputy Superintendent, the Assistant Superintendents, and the Complex Area Superintendents at the salary of the Superintendent.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 808, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 298 Education on S.B. No. 605**

The purpose and intent of this measure is to:

- (1) Restructure the Department of Education into two major divisions, the Academic Achievement Division and the Administration Division; and

- (2) Establish two Senior Deputy Superintendent positions to head the divisions.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that this measure supports the State's goals in its Race to the Top grant application by improving the Superintendent of Education's management capacity. The creation of two separate divisions, to be headed by two Senior Deputy Superintendents, will improve administrative operations and academic achievement in Hawaii's public school system.

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 that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 605, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 299 Education on S.B. No. 1485**

The purpose and intent of this measure is to allow the Superintendent of Education to:

- (1) Reconstitute a public school after certain considerations have been made, except for a charter school that has been in restructuring for four or more school years and has not made significant advancements toward improving academic performance; and
- (2) Recommend to the Charter School Review Panel actions that should be taken to reconstitute a charter school that has been in restructuring for four or more school years and recommend that the charter school's charter be revoked.

Your Committee received testimony in support of this measure from the Department of Education, Kamehameha Schools, and the Hawaii Association of Independent Schools. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs; the Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO; and the Hawaii State Teachers Association.

Your Committee finds that this measure is necessary to allow the Superintendent to reconstitute low performing schools and to meet various reform assurances made in Hawaii's Race to the Top grant application. This measure will also demonstrate the State's commitment to the transformative education reforms outlined in its Race to the Top grant application.

In addressing some of the concerns raised by certain testifiers, your Committee further finds that the implementation of this measure will require the adoption of administrative rules pursuant to chapter 91, Hawaii Revised Statutes, and compliance with collective bargaining agreements.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1485 and recommends that 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. 300 (Majority) Education on S.B. No. 1487**

The purpose and intent of this measure is to:

- (1) Authorize the Department of Education to close or consolidate existing schools;
- (2) Require the Department of Education to establish criteria for threshold levels of student population for purposes of closure or consolidation of schools; and
- (3) Require schools that are notified by the Department of Education the Department's intent to close or consolidate the schools to propose a plan to avoid closure or consolidation within two years of the notice.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Education and one individual.

Your Committee finds that school closures and consolidations should be conducted in an objective way. Your Committee further finds that schools that are slated for closure and consolidation should have the opportunity to present the Department of Education with a plan to raise student population, raise additional revenue, and make cost reductions through administrative complex consolidation.

While your Committee acknowledges that this measure requires further discussion and revision, your Committee finds that this measure will encourage schools and communities to think outside the box and come up with innovative ways to meet their goals and remain in operation.

Accordingly, your Committee has amended this measure by:

- (1) Removing language requiring that the Department of Education establish criteria for threshold levels of student population for purposes of closure or consolidation;
- (2) Requiring that closure or consolidation of schools be determined pursuant to existing administrative rules;

- (3) Requiring schools that are notified by the Department of Education for closure or consolidation to propose a plan to avoid closure or consolidation within one year of notice rather than two years;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1487, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 301 Education on S.B. No. 1375**

The purpose and intent of this measure is to:

- (1) Require multi track public schools to meet at least one hundred seventy-one days or ninety percent of the minimum number of days required of other non-charter public schools for each respective year, whichever number is greater, and at least ninety percent of the minimum number of student instructional hours required of other non-charter public schools for each respective school year; and
- (2) Require the Department of Education to submit to the Legislature a plan to implement a school year for multi track public schools beginning with the 2015-2016 school year of no less than ninety percent of the minimum number of instructional days and hours required of other public schools.

Your Committee received testimony in support of this measure from the Department of Education and four individuals. Your Committee received oral testimony in support of this measure from Sherry Pataray and Jocelyn Bonilla, students at Holomua Elementary School. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that the application of the mandatory minimum number of student instructional days and hours per school year established pursuant to Act 167, Session Laws of Hawaii 2010, to multi track public schools would create undue hardship on the students, parents, and staff at these schools. This measure will provide multi track schools with greater flexibility in meeting the minimum student instructional days and hours requirements.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1375 and recommends that 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. 302 Education on S.B. No. 871**

The purpose and intent 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.

Your Committee received testimony in support of this measure from The Libertarian Party of Hawaii, North Shore Christian Homeschoolers, a member of the Board of Education, and four individuals. Your Committee received testimony in opposition to this measure from the Hawaii Student Activities Association and a number of individuals, including public school teachers, principals, and students.

Your Committee finds that home schooled students should have the opportunity to participate on an equal basis in extracurricular activities offered by public schools. Your Committee further finds that this is a policy issue that may be better developed at the Board of Education and Department of Education levels.

Accordingly, your Committee has amended this measure by deleting its contents and replacing the contents with provisions that require the Department of Education and Board of Education to:

- (1) Develop policies and procedures to allow homeschooled students to participate on an equal basis in extracurricular activities offered at the public school they would otherwise be required to attend;
- (2) Examine certain specific issues while developing the policies and procedures; and
- (3) Report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 871, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Taniguchi). Noes, none. Excused, none.

**SCRep. 303 Human Services on S.B. No. 1109**

The purpose and intent of this measure is to require the Department of Human Services to:

- (1) Automatically enroll former foster youth in an appropriate medical assistance program; and



- (2) Develop a program to assist former foster youth maintain continued medical care coverage.

Your Committee received testimony in support of this measure from the Department of Human Services; Epic 'Ohana, Inc.; Hawaii Youth Services Network; Hawaii Family Forum; Family Programs Hawai'i; Hawaii Foster Youth Coalition; and one individual.

Your Committee finds that the transition from foster care to adulthood is a very difficult path for many former foster care individuals. Children in the foster care system have social workers to help them navigate health and mental health systems while they are in foster care. However, children who age out of the foster care system often lack support and guidance from caring adults. Many former foster youth may be unaware of the annual medical care renewal application.

Your Committee further finds that medical coverage is something most parents would consider a necessity for their children. Accordingly, the Affordable Care Act, Public Law 111-148, requires plans and issuers that offer dependent coverage to make the coverage available until a child reaches the age of twenty-six. Your Committee notes that foster youth are wards of the State and therefore should be provided with the same basic necessities, such as medical coverage, that parents consider essential for their own children.

Your Committee has heard the concerns about the automatic re-enrollment provisions contained in this measure. Your Committee notes that under Hawaii's Medicaid State Plan, when former foster youth reach the age of majority and have no children, they are considered childless adults subject to annual eligibility renewal.

Your Committee has also heard the concern that the Affordable Care Act establishes a new mandatory eligibility category under Medicaid for individuals under age twenty-six. Your Committee notes that this new category includes former foster children. Your Committee believes these concerns merit further discussion by your Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Extending to twenty-six the age until which the Department of Human Services is required to automatically re-enroll foster youth in a medical assistance program;
- (2) Extending to twenty-six the age until which the Department of Human Services is required to develop a program to help foster youth maintain continuing medical care coverage; and
- (3) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1109, S.D. 1, and be 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. 304 Human Services on S.B. No. 1108**

The purpose and intent of this measure is to support asset-building among low- and moderate-income families by clarifying guidelines for Individual Development Accounts and appropriating funds for the operation of Individual Development Account programs.

Your Committee received testimony in support of this measure from the Department of Human Services and Hawai'i Alliance for Community-Based Economic Development.

Your Committee finds that Individual Development Accounts are matched savings accounts that enable low-income families to save, build assets, and enter the financial mainstream. Individual Development Accounts reward working families who are building toward an asset, such as buying a home, paying for college, or starting a small business.

Your Committee further finds that fiduciary organizations that run Individual Development Account programs need access to sufficient operational funds. Many Individual Development Account programs have long waiting lists of eligible low-income families, but lack the matching funds to support them. Your Committee also finds that the appropriation in this measure will allow more families in Hawaii to save, build assets, and contribute to the overall economy.

Your Committee understands the concerns regarding replacing the references to the "State" with the "Department of Human Services" in chapter 257, Hawaii Revised Statutes. Your Committee notes that the Department of Human Services is not the only Department that may issue Individual Development Accounts, and replacing "State" with "Department of Human Services" may limit the kinds of Individual Development Accounts that may be issued.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the amendments to chapter 257 that replaced the word "State" with references to the Department of Human Services; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1108, 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 (Slom).

**SCRep. 305 (Majority) Human Services on S.B. No. 150**

The purpose and intent of this measure is to:

- (1) Enable the Disability and Communication Access Board to charge a review fee as part of the design and construction process; and
- (2) Establish an Accessible Building Design Special Account within the Disability and Communication Access Board Special Fund.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services; the Disability and Communication Access Board; Next Design LLC; Kimmey Unabia Architects, Ltd.; Riecke Sunnland Kono Architects, Ltd.; and three individuals.

Your Committee finds that Hawaii law requires that all plans and specifications for the construction of public buildings, facilities, and sites be prepared so that the buildings, facilities, and sites are accessible to and usable by persons with disabilities.

Your Committee further finds that the Disability and Communication Access Board is the state agency responsible for ensuring that government buildings, facilities, and sites meet the design requirements of the Americans with Disabilities Act and the Federal Fair Housing Amendments Act of 1988. The Disability and Communication Access Board's review is the State's best risk management strategy to avoid design and construction errors that could result in expensive legal costs and retrofits.

Your Committee also finds that the current program is fully funded through General Fund monies. Your Committee notes that this measure will shift the funding source for the program costs from the General Fund to a fee mechanism. Your Committee finds that this is the most appropriate method to pay for building design, construction, and compliance costs.

Your Committee finds that S.B. No. 1299, which is substantively similar to this measure, was introduced after being reviewed by the Department of the Attorney General and is clearer in effectuating the purpose and intent of this measure.

Accordingly, your Committee has amended this measure by replacing its contents with the contents of S.B. No. 1299 and making technical, nonsubstantive amendments, noting that as a result of inserting the contents of S.B. No. 1299, your Committee has amended this measure by:

- (1) Changing the fee imposed for projects with an estimated cost of over \$10,000,000; and
- (2) Changing the effective date to January 1, 2012, upon adoption of administrative rules pursuant to chapter 348F, Hawaii Revised Statutes.

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. 150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 150, 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, 1 (Ihara).

**SCRep. 306 Human Services on S.B. No. 1291**

The purpose and intent of this measure is to ensure that Child Protective Act hearings under chapter 587A, Hawaii Revised Statutes, are consistent with federal Title IV-E provisions.

Your Committee received testimony in support of this measure from the Judiciary, the Department of the Attorney General, and the Department of Human Services. Your Committee received comments on this measure from one individual.

Your Committee finds that changes to the Child Protective Act, chapter 587A, Hawaii Revised Statutes, were drafted during the 2010 Regular Session by a task force convened by the Family Court. The task force included representatives from the Family Court, the Department of Human Services, the Department of the Attorney General, Legal Aid Society of Hawai'i, and individuals who practiced as attorneys representing parents and guardians ad litem for children. Your Committee further finds that the task force also worked with a representative from the National Resource Committee on Legal and Judicial Issues to ensure compliance with the Adoption and Safe Families Act and the Child Abuse Prevention and Treatment Act.

Your Committee additionally finds that after the Child Protective Act was enacted, it was discovered that some language in the Child Protective Act was unclear or inconsistent with federal requirements. Your Committee notes that this measure is necessary to clarify language in the Child Protective Act to further ensure consistency in practice and compliance with federal Title IV-E requirements.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1291, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 307 (Majority) Tourism on S.B. No. 1186**

The purpose and intent of this measure is to apply the Transient Accommodations Tax to transient accommodations that are furnished on a complimentary or gratuitous basis, or otherwise at no charge, in order to allow the State to realize transient accommodations tax revenue from these gratuitous accommodations.

Your Committee received testimony in opposition to this measure from the Royal Hawaiian Hotel, the Hawai'i Hotel and Lodging Association, and two private citizens. Your Committee received comments on this measure from the Department of Taxation and the Hawai'i Tourism Authority.

Your Committee finds that additional revenue streams are needed to protect the environment, make improvements to public facilities that have been impacted by visitors, and to advance Hawaiian cultural activities. Your Committee further finds that the promotion of Hawaiian culture and the arts should be at the forefront of the State's tourism agenda. Your Committee supports this measure as an opportunity to enhance the State's existing revenue streams in order to achieve these goals.

Accordingly, your Committee has amended this measure by:

- (1) Imposing a daily \$10 tax on transient accommodations that are furnished on a complimentary or gratuitous basis, or otherwise at no charge; and
- (2) For any period beginning on or after July 1, 2011, and ending prior to July 1, 2015:
  - (A) Capping the Transient Accommodations Tax revenues allocated to the Tourism Special Fund at \$69,000,000 per fiscal year;
  - (B) Capping the Transient Accommodations Tax revenues allocated to the counties at \$90,000,000 per fiscal year; and
  - (C) Requiring that \$20,000,000 of the excess Transient Accommodations Tax revenues deposited into the General Fund per fiscal year shall be used for environmental protection, improvements to public facilities impacted by visitors, and advancing Hawaiian culture and the arts.

Prior to amending this measure, a proposed S.D. 1 was prepared by your Committee and made available for public review.

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. 1186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1186, 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 (Kouchi).

**SCRep. 308 Tourism on S.B. No. 769**

The purpose and intent of this measure is to provide a seven to ten percent tax credit for qualified hotel construction and renovation costs incurred after December 31, 2010, and before January 1, 2015. The intent of this measure is to boost Hawaii's construction and visitor industries.

Your Committee received testimony in support of this measure from the Director of Taxation, Waikiki Improvement Association, Hawaii Carpenters Union, The Pacific Resource Partnership, Land Use Research Foundation of Hawaii, and The Resort Group. Your Committee received testimony in opposition to this measure from one private citizen. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure has the potential to preserve and create new jobs in the local construction industry throughout the State. However, your Committee also finds that in order for this measure to be effective, there is a need to secure current commitments from private developers to utilize the Hotel and Resort Property Construction and Renovation Tax Credit proposed under this measure. Without these commitments, the measure will allocate state revenues that will not be fully utilized and could otherwise be put to better use. Based on testimony received, your Committee would like to receive feedback from the industry on what projects are far enough along in the planning, development, and financing stages that could take advantage of the tax credit proposed under this measure.

Accordingly, your Committee has amended this measure by:

- (1) Removing the specific percentages and dollar amounts associated with the Hotel and Resort Property Construction and Renovation Tax Credit;
- (2) Changing the expiration date to claim the tax credit for qualified hotel and resort property construction or renovation costs incurred before January 1, 2015; and
- (3) 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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 769, 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 (Kouchi).

**SCRep. 309 Human Services on S.B. No. 891**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and make appropriations for the Department of Human Services' Vocational Rehabilitation and Services for the Blind Division to upgrade equipment and facilities for its Ho'opono program.

Your Committee received testimony in support of this measure from the Department of Human Services, National Federation of the Blind of Hawaii, and one individual. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the Ho'opono program's facilities and equipment are in a dire state of disrepair and are rapidly approaching the point of becoming dangerous to the health and safety of its users. This measure secures funds to remedy this situation and improve the effectiveness of the Ho'opono program.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 891, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 891, 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. 310 Energy and Environment on S.B. No. 747**

The purpose and intent of this measure is to require the Department of Agriculture to adopt rules requiring retail gas and diesel dealers to post the amount of federal, state, and local taxes paid on each gallon of fuel by January 1, 2012.

Your Committee received testimony in support of this measure from Elle Cochran, Maui County Council; Natalie Iwasa; Andrea Hamblin; Walter Enomoto; Dan Cohen; Jeff Stark; Herman Goldman; Patricia Huntley; S. Nakata; Janet Powell; Margaret Enomoto; Donnie McGeary; Roland Chen; Wendy Heyd; Todd Melton; Rita Goldman; Margaret Dalzell; Jeff Soulier; Andra R. Hayase; Carol Reimann; Shawn Singleton; Michael R. Gibbons; and Tom Enomoto.

Your Committee finds that consumers have little to no information regarding the taxes they pay on one of their primary expenses and that this is inconsistent with nearly all other purchases and billed expenses which require all applicable taxes to be clearly shown on their respective receipts or invoices. This measure will give consumers clear information on the taxes that governments are imposing on the price of gasoline and diesel fuel thereby allowing consumers to better understand where their money is going and to what they can attribute price increases to at the pump.

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. 747 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, 1 (Ihara).

**SCRep. 311 (Joint) Energy and Environment and Hawaiian Affairs on S.B. No. 1242**

The purpose and intent of this measure is to make an emergency appropriation out of the Brownfields Cleanup Revolving Loan Fund for the clean-up of a contaminated site.

Your Committees received testimony in support of this measure from Mary Lou Kobayashi, Office of Planning, Department of Business, Economic Development, and Tourism; and Alapaki Nahale-a, Department of Hawaiian Home Lands.

Your Committees find that the Department of Business, Economic Development, and Tourism received a grant of \$2,000,000 from the federal Environmental Protection Agency for a Brownfields Cleanup Revolving Loan Fund program to clean up contaminated sites. Funds under this grant must be disbursed by the end of fiscal year 2010-2011. The Department of Business, Economic Development, and Tourism executed a loan with the Department of Hawaiian Home Lands to clean up a contaminated site in Kapolei. The federal funds must be disbursed to the Department of Hawaiian Home Lands in fiscal year 2010-2011, but the existing ceiling of the Brownfields Cleanup Revolving Loan Fund is \$1,000,000. This measure appropriates additional monies out of the Fund in order to complete the disbursement of federal funds to the Department of Hawaiian Home Lands in fiscal year 2010-2011.

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 Energy and Environment and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1242, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1242, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Green, Hee).

**SCRep. 312 (Joint) Economic Development and Technology and Energy and Environment on S.B. No. 772**

The purpose and intent of this measure is to support the production of renewable energy by amending the Ethanol Facility Tax Credit to:

- (1) Change all references from "ethanol" to "biofuel" and expand the facility tax credit to include various biofuels;

- (2) Require a qualifying facility to be located within the State and to utilize locally grown feedstock for at least seventy-five percent of its production output;
- (3) Replace the amount of certified credits from \$12,000,000 to \$20,000,000; and
- (4) Remove the forty million gallon per year production cap.

Your Committees received testimony in support of this measure from Hawaiian Electric Company, Inc.; Hawaii BioEnergy, LLC; Pacific Biodiesel, Inc.; and Blue Planet Foundation. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committees find that the Ethanol Facility Tax Credit was established in 2004, and since that time the production costs of both ethanol and biofuel have risen significantly. In particular, the biofuel industry has been struggling under recent economic conditions as well as fluctuating petroleum prices, and many biodiesel production facilities throughout the United States are running at reduced capacity or have shut down entirely.

In testimony presented to your Committees, current estimates of industry-wide costs for biodiesel facility construction are between \$2 and \$3 per gallon of production capacity, depending on the technology. In addition, operational costs are increasing due to rising costs for supplies, materials, labor, feedstock collection and processing, insurance, and other expenses.

Your Committees are supportive of this measure as a means of increasing renewable energy production in Hawaii, for the benefit of the consumer and the industry alike. Your Committees are mindful of the need to encourage higher levels of renewable energy production, while at the same time balancing possible tax revenue losses against revenue gains and growth from industry expansion. As such, your Committees are working closely with the Department of Taxation, the Department of Business, Economic Development, and Tourism, and with key industry leaders, to aggressively support industry growth in this area.

Your Committees have amended this measure by:

- (1) Changing the annual allowable amount of the Biofuel Production Facility Tax Credit from thirty percent of nameplate capacity to 30 cents per gallon of production;
- (2) Deleting proposed amendments to the qualifying production dates;
- (3) Amending the definitions of “qualifying biofuel production” and “qualifying biofuel production facility” to expand and clarify the terms;
- (4) Replacing the proposed \$20,000,000 cap on the certified credits with an unspecified amount;
- (5) Requiring the biofuel production reporting to include the type of biofuel produced;
- (6) Inserting an effective date of January 1, 2050, to allow for further discussion; and
- (7) 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 Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 772, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 772, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 1 (Ihara).

**SCRep. 313 (Majority) Economic Development and Technology on S.B. No. 1287**

The purpose and intent of this measure is to clarify the responsibilities of the Chief Information Officer by:

- (1) Removing oversight of the Information and Communication Services Division of the Department of Accounting and General Services;
- (2) Establishing a funding amount of \$1,000,000 from special funds for the Shared Services Technology Special Fund;
- (3) Authorizing the Director of Finance to raise funds and accept private donations for the Special Fund; and
- (4) Repealing all Chief Information Officer provisions on June 30, 2013.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Information Technology of the City and County of Honolulu, and Hawai'i Community Foundation.

Your Committee finds that the Administration proposes to implement the provisions related to the Chief Information Officer in two phases. The Comptroller has testified that during Phase I, the planning phase, the Chief Information Officer will focus on strategic actions to include the completion of the Information Technology Strategic Plan with the assistance of the Information Technology Steering Committee. The Plan is intended to form the basis for the long-term statewide technology transformation, the operational organizational structure for the Chief Information Officer, consolidated information technology staff, and the required technology budget.

Phase I would be accomplished by designating the percentage of special funds transferred to the Shared Services Technology Special Fund at three percent, or approximately \$1,200,000. These monies will provide for salaries of the Chief Information Officer, senior level support staff, and exempt information technology staff during this planning phase and the percentage may be revised once the Plan is approved.

Phase II, implementation, will commence in 2013 and changes to address reorganization and other requirements will be presented to the Legislature during the 2013 Regular Session.

Your Committee commends the Administration for its timely response to Act 200, Session Laws of Hawaii 2010, and is in agreement with their recommendations for amendments to this measure.

Your Committee has amended this measure accordingly, by:

- (1) Retaining oversight of the Information and Communication Services Division by the Chief Information Officer;
- (2) Authorizing the Chief Information Officer to employ persons exempt from chapters 76, 78, and 89, Hawaii Revised Statutes;
- (3) Transferring the Shared Services Technology Special Fund from the Department of Budget and Finance to the Department of Accounting and General Services, specifying that three percent from special funds shall be deposited into the Special Fund, and establishing the Information Technology Steering Committee Trust Account in the Special Fund;
- (4) Authorizing the Chief Information Officer and the Comptroller to raise funds and accept donations for the Special Fund;
- (5) Requiring the Chief Information Officer to submit annual reports to the Governor and the Legislature on activities, programs, and expenditures of all monies received from all sources and deposited into the Information Technology Steering Committee Trust Account of the Shared Services Technology Special Fund;
- (6) Adding an unspecified General Fund appropriation for the operations of the Chief Information Officer and the Information Technology Steering Committee, including employment and training of staff;
- (7) Deleting the June 30, 2013, repeal date; and
- (8) 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. 1287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1287, S.D. 1, and be 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. 314 Economic Development and Technology on S.B. No. 1207**

The purpose and intent of this measure is to:

- (1) Hold authors and publishers of visitor guide websites and visitor guide publications liable to individuals who suffer injury or death as a result of being enticed to trespass by the visitor guide websites or publications; and
- (2) Exempt private property owners or legal occupiers of land from liability for trespassers' injury or death.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Tourism Authority; Kaaui Fire Department; Kamehameha Schools; Hawaii Farm Bureau Federation; Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Hawaii Cattlemen's Association; Maui Cattlemen's Association; Maui Hotel & Lodging Association; Kaaui Visitors Bureau; Princeville Ranch Adventures; Grove Farm Company, Inc.; Haleakala Ranch; Case Lombardi & Petit, and five individuals. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawai'i; Media Coalition, Inc.; Association of American Publishers, Inc.; Hawaii Book Publishers Association; The Bess Press, Inc.; Wizard Publishing, Inc.; Hawaii Association for Justice; and four individuals. Your Committee received comments on this measure from Fathom Five Divers of Kauai.

Your Committee finds that the issue of unauthorized access to private and public lands as the result of information published on visitor guide websites and in visitor guide publications has raised grave concerns for all those testifying on this measure. Your Committee has considered the issues raised in testimony and believes that the measure, as heard, is premature in its response to the problem.

Your Committee understands that in some instances, the parties have resolved trespass issues through collaborative efforts by landowners and publishers, and believes this is a more appropriate approach to the overall problem.

Your Committee has amended this measure accordingly, by:

- (1) Deleting the statutory provisions related to visitor guide liability;
- (2) Establishing a task force, attached to the Department of Business, Economic Development, and Tourism for administrative purposes, to identify problem areas on the various islands related to trespass over privately held or public lands as the result of information published on visitor guide websites and in visitor guide publications;
- (3) Authorizing the Legislative Reference Bureau to provide assistance to the Task Force in the compilation and publication of the findings and recommendations of the task force; and
- (4) Requiring a report to the Legislature prior to the Regular Session of 2012.

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. 1207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1207, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 315 (Joint) Human Services and Health on S.B. No. 126**

The purpose and intent of this measure is to:

- (1) Establish a Medicaid Buy-In program for working people with disabilities; and
- (2) Allow the President of the Senate and the Speaker of the House of Representatives to convene, from time to time, the Joint Legislative Task Force on Medicaid to examine issues relating to Medicaid shortfalls.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities; Healthcare Association of Hawaii; Hawaii Medical Association; AlohaCare; Hawaii Disability Rights Center; Mental Health America of Hawai'i; Goodwill Industries of Hawaii, Inc.; United Self-Help; and numerous individuals. Your Committees received testimony in opposition to this measure from the Department of Human Services. Your Committees received comments on this measure from Hawaii Medical Service Association and 'Ohana Health Plan.

Your Committees find that working-age adults with disabilities need adequate health insurance, but their options for insurance coverage are limited, even with the federal Affordable Care Act. Medicaid buy-in programs allow working adults with disabilities, who do not have employer prepaid or employer-sponsored health care coverage or who earn more than the allowable ceiling, to obtain Medicaid coverage.

Your Committees received testimony in support of the portion of this measure establishing the Joint Legislative Task Force on Medicaid from several organizations. However, your Committees also share the concern expressed by testifiers that the title of this measure may be too narrow to encompass the establishment of the Task Force and note that this section of the measure may be more appropriately placed in S.B. No. 425, S.D. 2.

Accordingly, your Committees have amended this measure by:

- (1) Deleting section 3 of this measure which would have established the Joint Legislative Task Force on Medicaid;
- (2) Making conforming amendments to accurately reflect the purpose of the amended measure; and
- (3) 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 126, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 126, 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, Ihara, Wakai).

**SCRep. 316 (Joint) Human Services and Health on S.B. No. 1467**

The purpose and intent of this measure is to promote the Director of the Executive Office on Aging position to a Deputy Director of the Department of Health position, and remove the current salary restriction on that position.

Your Committees received testimony in support of this measure from the Executive Office on Aging, Catholic Charities Hawai'i, and two individuals. Your Committees received testimony in opposition to this measure from the Department of Health and the Department of Budget and Finance. Your Committees received comments on this measure from the Hawaii Alliance for Retired Americans.

Your Committees find that Hawaii's elderly population, age sixty and older, represents the fastest growing segment of the State's population. Your Committees further find that projections for Hawaii indicate that by the year 2030, one in four individuals will be over sixty years of age. This kind of population change has significant impacts on current physical infrastructure and systems of service.

Your Committees also find that, according to section 349-3, Hawaii Revised Statutes, the Director of the Executive Office on Aging is solely responsible for the performance, development, and control of programs, policies, and activities on behalf of elders. Given the increasing population of Hawaii's elderly, this is a significant amount of responsibility for that Director.

Your Committees have heard the concern regarding the establishment of the Executive Office on Aging Director as a Deputy Director and whether this will be counterintuitive to the legislatively intended autonomy of the Executive Office on Aging. Your Committees have also heard the concerns regarding the Deputy Director of Health's jurisdiction being limited in scope to public health. Your Committees note that the issues faced by an aging population are interdisciplinary and reach far beyond public health. Accordingly, your Committees believe these concerns merit further discussion by the Committee on Ways and Means.

Your Committees also urge the Director of the Executive Office on Aging to convene a work group to discuss alternative solutions to address the purposes of this measure.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to allow for further discussion.

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. 1467, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1467, 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, (Baker, Ihara, Wakai).

**SCRep. 317 (Majority) Water, Land, and Housing on S.B. No. 142**

The purpose and intent of this measure is to:

- (1) Declare dams and reservoirs as important water resources that provide certain benefits to the public;
- (2) Require the Board of Land and Natural Resources, in administering the Dam and Reservoir Safety Program, to consider the need to consistently maintain and operate dams and reservoirs in a feasible manner;
- (3) Require the Board of Land and Natural Resources to charge fees to cover a portion of the Board's costs in administering dam and reservoir safety;
- (4) Require the Board of Land and Natural Resources to consider a lower hazard potential classification for operating systems that enable the direct control of water inflow; and
- (5) Require the Department of Land and Natural Resources to include in its annual report initiatives implemented to ensure that dams and reservoirs continue to be retained and operated in a feasible manner to sustain their roles as important water resources.

Your Committee received testimony in support of this measure from Hawaii Cattlemen's Council, Inc.; Maui County Farm Bureau; Hawaii Farm Bureau Federation; and Alexander & Baldwin, Inc. Your Committee received comments on this measure from the Department of Land and Natural Resources, Department of Agriculture, and Office of Hawaiian Affairs.

Your Committee recognizes the need for farmers and ranchers to comply with safety measures for dams and reservoirs. A major concern is overfilling the reservoir during a major storm event, which could lead to dam failure. Nevertheless, many reservoirs are filled by pipe, which can be turned off during a storm event.

Your Committee finds that enacting overly burdensome regulations for the operation and maintenance of dams and reservoirs will contribute little to the public good. Dams and reservoirs allow farmers and ranchers to keep land in use for agriculture and cattle and to provide drinking water for the citizens of the State, hydropower for the generation of renewable energy, and flood control and drainage for public safety. Through this measure, your Committee supports the use of a risk based safety classification system, which provides adequate safeguards for the public safety and preserves and maintains private dam ownership.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 142 and recommends that 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, 2 (Fukunaga, Shimabukuro).

**SCRep. 318 (Joint) Water, Land, and Housing and Human Services on S.B. No. 768**

The purpose and intent of this measure is to establish a program for granting low-income housing tax credit loans in lieu of low-income housing tax credits.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development and Tourism, and Hawaii Association of REALTORS. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that, in 2010, the Senate Committee on Economic Development and Technology and the House Committee on Economic Revitalization, Business, and Military Affairs convened an informal small business discussion group to address the most critical issues facing the small business sectors within Hawaii's economy. Your Committees further find that passage of this measure would support the findings of the small business working group by establishing a low-income housing tax credit loan program that would be administered by the Hawaii Housing Finance and Development Corporation.

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 Water, Land, 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. 768, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 768, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 319 (Majority) Water, Land, and Housing on S.B. No. 816**

The purpose and intent of this measure is to apportion ten percent of the conveyance tax to the Kaho'olawe Rehabilitation Trust Fund.

Your Committee received testimony in support of this measure from Kaho'olawe Island Reserve Commission; Protect Kaho'olawe 'Ohana; 'Ahaui Malama I Ka Lokahi; Ocean Tourism Coalition; Jenna Ishii; Ka'iulani M. Murphy; Michele Chouteau McLean; Vince Kana'i Dodge; David Scibor; Ethan Porter; Natasha Tong; Kevin Gavagan; Eric Brundage; and Kurt Ogomori. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Kaho'olawe Island Reserve Commission is funded predominantly by a dwindling trust fund created in 1994 during the federal unexploded ordnance cleanup of Kaho'olawe. This federal appropriation, totaling \$44,000,000 over a period of several years, although considerable, was not substantial enough to establish a sustainable endowment for the long-term



restoration of Kaho'olawe. For the past sixteen years, the initial federal funding has allowed the Kaho'olawe Island Reserve Commission to establish many of its innovative programs that emphasize ancestral and traditional knowledge, utilize a cultural approach of respect and connectivity to the environment, and integrate ancient and modern resource management techniques.

Your Committee is sympathetic to the concerns of the numerous individuals who testified in support of the original measure, and finds that this measure will help provide the financial stability necessary to continue the Commission's work.

Your Committee further finds that since the State will assume responsibility for funding the Kaho'olawe Island Reserve Commission under this measure by directing a portion of the conveyance tax into the Trust Fund, an appropriate state agency should oversee the Commission to ensure accountability in the use of those state funds.

Therefore, your Committee has amended this measure by:

- (1) Eliminating the Commission's oversight of the Department of Land and Natural Resources with regard to the control and management of the island reserve; and
- (2) Providing that the Commission and other state agencies shall be subject to the oversight of the Department with regard to the control and management of the island reserve.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 816, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 816, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Fukunaga, Tokuda).

**SCRep. 320 (Joint) Water, Land, and Housing and Human Services on S.B. No. 905**

The purpose and intent of this measure is to improve existing public housing stock and increase public housing units in the State of Hawaii.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority, Department of Human Services; Catholic Charities Hawai'i; and Cynthia Rezentes. Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development and Tourism; and Hawaii Community Development Authority.

Your Committees find that there is a great need for new affordable housing units in the State of Hawaii. Your Committees further find that capital maintenance and repairs to existing affordable housing are necessary and would improve the living environment of some of the most vulnerable people in the State, including the disabled, the elderly, and those earning less than thirty percent of area median income.

As affirmed by the records of votes of the members of your Committees on Water, Land, 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. 905 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 321 Education on S.B. No. 289**

The purpose and intent of this measure is to:

- (1) Appropriate funds for the Families for R.E.A.L. Program and professional and curriculum development in parent involvement for the Department of Education and the Early Learning Council;
- (2) Require the Families for R.E.A.L. Program to develop a plan to cover an unspecified percentage of the program costs through fees, grants, and private donations, starting July 1, 2013;
- (3) Beginning July 1, 2013, require any appropriations for the Families for R.E.A.L. Program to require matching funds at an unspecified ratio of public funds to private funds; and
- (4) Require the Families for R.E.A.L. Program to report to the Legislature and Governor no later than twenty days prior to the convening of the Regular Session of 2013.

Your Committee received testimony in support of this measure from the Department of Education; Kamehameha Schools; the Hawaii Chapter, American Physical Therapy Association; the Families for R.E.A.L. Windward Site Coordinator; the Families for R.E.A.L. Leeward Site Coordinator; and one hundred fifty-three individuals.

Your Committee finds that the Families for R.E.A.L. Program provides valuable resources, lessons, and support to both parents and their young children. In addition, it provides young children with the opportunity to interact with other children and learn new skills to better prepare them to enter school.

Your Committee has amended this measure by:

- (1) Specifying that the Families for R.E.A.L. Program shall develop a plan to cover twenty-five percent of its costs through fees, grants, and public donations beginning July 1, 2013;
- (2) Requiring that the plan include a strategy for the Families for R.E.A.L. Program to transition into a greater statewide role to provide resources to train parents of young children, train school personnel who work with parents of young children, and make resource materials available to families statewide;

- (3) Requiring the Families for R.E.A.L. Program to report to the Legislature and the Governor no later than twenty days prior to the convening of the Regular Session of 2012, rather than 2013;
- (4) Specifying that beginning on July 1, 2013, any appropriations for the Families for R.E.A.L. Program shall require matching funds at a ratio of seventy-five percent in public funds to twenty-five percent in private funds; and
- (5) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 289, 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. 322 (Joint) Education and Human Services on S.B. No. 1284**

The purpose and intent of this measure is to amend section 302A-443, Hawaii Revised Statutes, to grant the Department of Education:

- (1) Access to monitor students with disabilities who are placed, at the Department of Education's expense, at private special education schools or placements; and
- (2) Authority to set reasonable rates for the placement of students at private education schools and placements.

Your Committees received testimony in support of this measure from the Department of Education; the State Council on Developmental Disabilities; the Special Education Advisory Council; and two individuals. Your Committees received testimony in opposition to this measure from the Hawaii Disability Rights Center, Hawaii Association of Independent Schools, Hawaii Autism Society, and nine individuals. Your Committees received comments on this measure from the Board of Education.

Your Committees find that the Department of Education has the responsibility to ensure that students with disabilities who are placed in private schools or placements are provided special education and related services in conformance with their Individualized Education Programs. In order for the Department of Education to fulfill this obligation, it must have access to monitor students with disabilities in private schools or placements.

Your Committees have amended this measure by inserting language to:

- (1) Clarify that the Department of Education shall have authority to monitor any child eligible to receive special education and related services who is placed in a private school or placement:
  - (A) Regardless of whether the placement is the result of a hearing officer's decision, court order, or programmatic placement; and
  - (B) At the Department's expense, whether by direct payment or through reimbursement to the student's parent, legal guardian, or legal custodian;
- (2) Expand the definition of "monitoring" to include direct observation of the student, review of student records, and the right of the Department of Education to talk with the student's teacher at the private school or placement;
- (3) Require private schools or placements that receive funds from the Department of Education to post with the Department itemized rates, fees, and tuition each April for the next school year;
- (4) Require private schools or placements that receive funds from the Department of Education to charge the Department the same rates, fees, and tuition charged to parents who unilaterally place a student at the school;
- (5) Require the Department of Education to pay only for private school or placement services that are specified in a student's Individualized Education Program;
- (6) Require private schools or placements to provide the Department of Education with a student's records within three business days of a request for such records; and
- (7) Authorize the Department of Education to withhold payment to any private school or placement that restricts or denies monitoring of students under this measure.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1284, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1284, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Ihara).

**SCRep. 323 (Joint/Majority) Education and Health on S.B. No. 240**

The purpose and intent of this measure is to:

- (1) Make the Physician Workforce Assessment fee permanent; and
- (2) Require that a portion of the Physician Workforce Assessment fees deposited into the John A. Burns School of Medicine Special Fund be used to support physician workforce assessment and planning for rural and medically underserved areas of the State.

Your Committees received testimony in support of this measure from the University of Hawai'i at Manoa John A. Burns School of Medicine, the Hawaii Association for Justice, the Puna Community Medical Center, and two individuals. Your Committees received comments on this measure from the Hawaii Medical Board.

Your Committees find that the Physician Workforce Assessment implemented by Act 18, Special Session Laws of Hawaii 2009, reports a current shortage of 600 physicians in the State and an impending shortage of 1,200 physicians by 2020. The shortage of physicians is compounded by the fact that Hawaii's physician workforce is the fifth oldest of all the states and many physicians will soon retire. In addition, Hawaii fails to attract young physicians to practice in the State.

Your Committees further find that the recruitment and retention of physicians to serve the rural and medically underserved areas of the State are critical. The continuation of the Physician Workforce Assessment project is essential to address the State's ongoing needs for a strong physician workforce.

Your Committees have amended this measure by:

- (1) Adding language to require that physician recruitment and retention for rural and medically underserved areas of the State be included in the physician workforce assessment; and
- (2) Requiring the John A. Burns School of Medicine to report to the Legislature, the State Health Planning and Development Agency, and the Hawaii Medical Board annually rather than every other year.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 240, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 240, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Slom). Excused, 1 (Shimabukuro).

**SCRep. 324 (Joint/Majority) Education and Health on S.B. No. 239**

The purpose and intent of this measure is to:

- (1) Extend the appropriation of a portion of Hawaii Tobacco Settlement Special Fund monies for the annual operating expenses of the University of Hawai'i at Manoa John A. Burns School of Medicine (JABSOM) until June 30, 2015; and
- (2) Require JABSOM to report to the Legislature annually until the convening of the Regular Session of 2015.

Your Committees received testimony in support of this measure from the University of Hawai'i at Manoa John A. Burns School of Medicine; Hawai'i Pacific Health; and The Queen's Medical Center. Your Committees received testimony in opposition to this measure from the Coalition for a Tobacco-Free Hawai'i and the Hawaii COPD Coalition. Your Committees received comments on this measure from the Department of Health, the American Cancer Society, and the American Heart Association.

Your Committees find that JABSOM's authorization to use a portion of Hawaii Tobacco Settlement Special Fund monies for annual operating expenses to support the school's operations and train and graduate new physicians is set to expire on June 30, 2011. This measure will allow continued use of Tobacco Settlement Special Fund monies by JABSOM for annual operating expenses.

Your Committees recognize the concerns raised by certain testifiers about JABSOM's continued use of Tobacco Settlement Special Fund monies specifically for operating costs. Your Committees encourage JABSOM to develop and implement revenue generating practices that will allow JABSOM to become less reliant on Tobacco Settlement Special Fund monies for its annual operating costs.

Accordingly, your Committees have amended this measure by:

- (1) Reducing the amount of JABSOM's portion of Hawaii Tobacco Settlement Special Fund monies by one percent each fiscal year starting with fiscal year 2012-2013 until the fiscal year ending June 30, 2015, on which date the use of Hawaii Tobacco Settlement Special Fund monies for JABSOM's operating expenses shall no longer be authorized;
- (2) Increasing the amount of Hawaii Tobacco Settlement Special Fund monies that are credited to the General Fund by one percent each fiscal year starting with fiscal year 2012-2013 until the fiscal year ending June 30, 2015; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Based on the amendments to this measure, JABSOM shall receive a portion of Hawaii Tobacco Settlement Special Fund monies as follows:

- (1) Twenty-eight percent for fiscal year 2011-2012;
- (2) Twenty-seven percent for fiscal year 2012-2013;
- (3) Twenty-six percent for fiscal year 2013-2014; and
- (4) Twenty-five percent for fiscal year 2014-2015.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 239, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 239, 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 (Taniguchi). Noes, 1 (Slom). Excused, 1 (Shimabukuro).

**SCRep. 325 Public Safety, Government Operations, and Military Affairs on S.B. No. 287**

The purpose and intent of this measure is to require, under certain conditions, the incorporation of native Hawaiian land plants into all plans, designs, and specifications for new or renovated landscaping of any building, complex of buildings, facility, complex of facilities, highway, road, or housing developed by the State with public monies.

Your Committee received testimony in support of this measure from one state department, three entities, and four individuals. Your Committee received testimony in opposition to this measure from one state department.

Your Committee finds that it is important for the State to do all it can to maintain our native plants and animals. One of the most efficient methods of accomplishing this is to slow the spread and deleterious impacts of non-native, invasive plants. Native Hawaiian land plants use less water and require lower maintenance, which inure to the benefit of the environment and decrease maintenance costs.

Your Committee has amended this measure by:

- (1) Phasing in the incorporation of native Hawaiian land plants, with native Hawaiian plants constituting:
  - (A) Ten percent or more of all plants used by January 1, 2013; and
  - (B) Twenty percent or more of all plants used by January 1, 2015;
- (2) Excluding grass and sod from the definition of native Hawaiian land plants; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 287, 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. 326 Public Safety, Government Operations, and Military Affairs on S.B. No. 892**

The purpose and intent of this measure is to:

- (1) Clarify state law regarding dog licensing to appropriately conform provisions applicable to service dogs with the Americans with Disabilities Act;
- (2) Conform state law relating to public conveyances to the Americans with Disabilities Act; and
- (3) Amend the definition of "service animal" and include "comfort animal" in state law provisions relating to Fair Housing Act requirements for non-discrimination in the sale or rental of housing.

Your Committee received testimony in support of this measure from one state agency, one entity, and six individuals. Your Committee received comments on this measure from one state agency and one individual.

The intent of your Committee is to conform Hawaii law to federal statutory and rule changes in the Americans with Disabilities Act. Conformity to federal law is necessary in this area in order to facilitate assistance to persons with disabilities who use service or guide dogs.

Your Committee has amended this measure by:

- (1) Including various recommendations of the Disability and Communications Access Board, which specifically are to:
  - (A) Delete the definition of and reference to "service dog" under the issuance of license and dog tags statute;
  - (B) Delete rule-making authority of the Director of Finance with regard to the licensing of guide, signal, or service dogs and with regard to the visually handicapped law;
  - (C) Delete the definition of "comfort animal";
  - (D) Clarify the definition of "reasonable restriction" by deleting language describing certain restrictions on owners of service animals, guide dogs, or signal dogs under the discriminatory practices law; and
  - (E) Delete the definitions of "service animal" and "signal dog" under the discriminatory practices law; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 892, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 327 (Joint) Public Safety, Government Operations, and Military Affairs and Economic Development and Technology on S.B. No. 1234**

The purpose and intent of this measure is to:

- (1) Amends the offense of promoting pornography for minors to include the dissemination of pornographic material to another minor (under the age of eighteen years) or to a person who represents to be a minor; and
- (2) Include the offense of promoting child abuse in the third degree as a felony for which criminal charges may be instituted by written information.

Your Committees received testimony in support of this measure from one state department. Your Committees received testimony in opposition to this measure from two entities. Your Committees received comments on this measure from one entity.

The intent of your Committees is to provide greater protection to children from sexual offenders and predators in the Internet age. While current law prohibits disseminating pornographic material to minors, this measure extends this prohibition to include disseminating pornographic material to a person who represents himself or herself as a minor. This measure would allow state and county law enforcement officers to pose as children online and make out a criminal case when a predator promotes pornography to minors while attempting to exploit them through the Internet.

Testimony indicates that predators meet children through the Internet and entice them to engage in sexual offenses. Grooming children is a key aspect of this predatory behavior. Grooming usually involves conduct to gain the child's trust, develop the relationship, make the child feel comfortable with the offender and the idea of engaging in sexual acts, and ultimately make the child more willing to engage in sexual acts with the offender. Predators engaged in the electronic enticement of children often send their victims pornographic images as part of a scheme to groom child victims for sexual acts.

This measure allows law enforcement officers to pose as children online while investigating internet crimes against children. Predators, believing they are communicating with children, send pornographic images to the officers. This measure allows for the prosecution of child predators who disseminate pornography to officers while attempting to groom children for sexual acts.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) 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 Public Safety, Government Operations, and Military 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. 1234, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1234, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, none.

**SCRep. 328 Economic Development and Technology on S.B. No. 1498**

The purpose and intent of this measure is to require the Small Business Regulatory Review Board to:

- (1) Identify rules that shall be amended or repealed to conform to related statutes as those statutes are amended or repealed; and
- (2) Work with state agencies to develop a procedure for expediting the amendment or repeal of rules when the changes are required only to comply with the repeal or amendment of statutes.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received comments on this measure from one individual.

Your Committee finds that due to limited resources, the Small Business Regulatory Review Board may be unable to meet the requirements of this measure, and that the intent of this measure may be achieved by requiring agencies to report annually to the Board when rules require amendment or repeal to reflect statutory amendments or repeals.

Your Committee has also discussed with the Department of Business, Economic Development, and Tourism a proposal before the Legislature during the 2010 Regular Session to transfer the Board to the Department of Commerce and Consumer Affairs. It has been reported to your Committee that the two departments are in general agreement regarding the proposed transfer and are currently in discussions as to the logistics of the transfer.

Your Committee has amended this measure accordingly, by deleting its contents and inserting language to:

- (1) Transfer the Small Business Regulatory Review Board, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs, and authorize the expenses of the Board to be funded from the Compliance Resolution Fund; and
- (2) Require each agency to notify the Small Business Regulatory Review Board on an annual basis of any rules to be amended or repealed to reflect statutory amendments or repeals.

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. 1498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1498, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 329 (Joint) Economic Development and Technology and Education on S.B. No. 1120**

The purpose and intent of this measure is to support the expansion of experiential learning initiatives in science, technology, engineering, and math (STEM) fields and creative media by appropriating monies for the following programs: Hawaii Excellence through Science and Technology Academy; Fostering Inspiration and Relevance through Science and Technology pre-academy; robotics and problem-based, applied learning; Research Experiences for Teachers; professional development for public school science and mathematics teachers; business and education internships and mentorships; teacher incentives for post baccalaureate certificates in secondary education; and Project EAST.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i System; Academy for Creative Media; Maui Economic Development Board, Inc.; Searider Productions, Wai'anae High School; Keaau High School; teachers and students from Maui High School, O Hina I Ka Malama Hawaiian Language Immersion at Molokai High School, Molokai Middle School, Iao Intermediate School, Dole Middle School, Wahiawa Middle School, Chiefess Kamakahahei Middle School, Waiakea Intermediate School, Kalakaua Middle School, Aiea Intermediate School, Robert Louis Stevenson Middle School, Kealakehe Intermediate School, Waialua High and Intermediate School, Farrington High School, McKinley High School, and Haili Christian School; Challenger Center of Hawaii; Hilo Underwater ROV; Oceanit; Ralph S. Inouye Co., Ltd.; New Horizons of Hawaii; NIDON Computer Corporation; GeminiTech; Waieka Robotics; and twenty individuals. Your Committees received testimony in opposition to this measure from three individuals.

Your Committees find that expanding the number of STEM graduates is a priority for the State of Hawaii if state lawmakers are committed to producing the kind of skilled workforce that employers in emerging industries like scientific research and development, biotechnology, aquaculture, performing and creative arts, specialty health care, aerospace and defense-dual use industries, technology and computer services, and digital media require. Rather than waiting for students to demonstrate an interest in STEM subjects in Hawaii's high schools or in post-secondary higher educational arenas, early exposure to STEM experiences in elementary and middle school environments is critical.

Your Committees have reviewed the testimonies regarding the benefits of past STEM and creative media funding from educators, students, and private sector organizations involved in these initiatives. Your Committees have also heard concerns that, while the individual projects have been successful, these initiatives should be administered and reported on by the Department of Education.

Your Committees find that the pilot projects in Acts 111 and 271, Session Laws of Hawaii 2007, were developed specifically to address concerns from school level practitioners of the difficulties of piloting successful experiential learning programs against the backdrop of constrained funding, school performance requirements and penalties for below-standard testing, and the host of competing curriculum requirements that the Department of Education and individual schools grapple with. As part of the reporting requirements for the various individual projects authorized by Acts 111 and 271, the Legislature adopted H.C.R. No. 297, S.D. 1, C.D. 1 in 2010, to insure that the Department of Education, University of Hawai'i, Department of Business, Economic Development, and Tourism, Maui Economic Development Board, Economic Development Alliance of Hawaii, Robotics Organizing Committee, and other participating stakeholders fully account for their accomplishments and expenditures, while providing recommendations for future deployment of their pilot projects to complete the first phase of the four-year experiential learning pilot program. As such, individual program reports in response to H.C.R. No. 297, S.D. 1, C.D. 1, are included as part of the testimonial record for this measure. Your Committees appreciate the commitment to students and schools that the results have demonstrated, and commend participating stakeholders for their willingness to undertake a rigorous level of STEM and creative media expansion during the past four years.

With preliminary data collected from participating STEM and creative media programs throughout the State, your Committees are confident that the Legislature is in a far stronger position this year to evaluate the best practices that have emerged from individual schools and regions, and to invest in experiential learning opportunities that produce quantifiable, solid results in growing Hawaii's workforce for high-value, high-quality STEM and creative media jobs.

Your Committees are in strong support of expanded STEM and creative media opportunities and find these concerns to have a great deal of merit.

Your Committees have amended this measure accordingly, by:

- (1) Deleting the specific program appropriations and replacing these with unspecified appropriations to the University of Hawaii for implementation of the requirements of sections 304A-1861, 304A-1862, and 304A-1863, Hawaii Revised Statutes, and requiring a report on outcome measures;
- (2) Amending the references to Project EAST to reflect the program's new focus as STEMWorks project-based learning programs;
- (3) Adding an unspecified appropriation to the Department of Education for projects demonstrating cost-effective outcomes in conjunction with improved student performance in STEM and creative media experiential learning programs;
- (4) Requiring a joint annual report to the Legislature from the University of Hawaii, Department of Education, and Economic Development Alliance of Hawaii, Inc., on the number of participating students and outcomes for their respective STEM initiatives; and from the Department of Business, Economic Development, and Tourism on projections of workforce needs for emerging industries in defense and dual-use, astronomy, engineering, aquaculture, biotech, digital media, and related industries; and
- (5) 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 Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1120, as amended herein, and

recommend that it pass Second Reading in the form attached hereto as S.B. No. 1120, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, none.

**SCRep. 330 Education on S.B. No. 1331**

The purpose and intent of this measure is to increase by \$100,000,000 the amount of revenue bonds authorized to be issued for financing the construction and maintenance of qualifying capital improvement projects of the University of Hawaii.

Your Committee has amended this measure by deleting its contents and replacing it with language to:

- (1) Amend section 304A-2007, Hawaii Revised Statutes, to require additional reporting by the University of Hawai'i System on special and revolving funds that carry a balance or deficit of over \$1,000,000 at the time the annual report is submitted to the Legislature; and
- (2) Make an appropriation in an unspecified amount to the University of Hawai'i System for the completion and implementation of the Kualii Financial System.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review.

Your Committee received testimony in support of this proposed measure from the University of Hawai'i System and The Pacific Resource Partnership.

Your Committee finds that the University of Hawai'i System needs approximately \$4,000,000 to \$5,000,000 to complete the Kualii Financial System and an additional \$1,000,000 per year to maintain it. Your Committee further finds that if the University of Hawai'i System does not receive additional funding to complete the Kualii Financial System it has acknowledged that it will fund its completion through existing funds. Failure to complete the System will make it difficult for the University to meet the reporting requirements under this measure.

Your Committee has further amended this proposed measure by:

- (1) Adding language to specify that the additional reports required shall be for funds, listed by program identification number, that have an unencumbered cash balance or cash deficit of \$1,000,000 or more at the end of the previous fiscal year, where that balance or deficit is greater than twenty-five percent of the previous fiscal year's expenditures; 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 that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1331, S.D. 1, 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, Slom). Noes, none. Excused, none.

**SCRep. 331 Education on S.B. No. 1503**

The purpose and intent of this measure is to:

- (1) Change the term "exceptional child" to "student with disability" and to clarify the criteria for such a designation;
- (2) Clarify the definition of services auxiliary to education required to be provided to students with a disability;
- (3) Clarify eligibility standards for preschool students with a disability;
- (4) Clarify charter school duties to children with a disability; and
- (5) Establish certification criteria for persons who provide interpreting services for children who are deaf or hard of hearing and certain students with a disability.

Your Committee has amended this measure by deleting its contents and replacing it with language to:

- (1) Require private special education schools and programs that provide services to students with disabilities who receive state funding, to comply with federal and state laws, rules, and regulations;
- (2) Require accreditation within ninety days for private schools or programs that accept students with disabilities who receive state funding; and
- (3) Provide definitions for the terms "accredited private special education school or program", "certified or licensed private residential facility", and "nonpublic special education school or program".

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

Your Committee received testimony in support of this proposed measure from the Department of Education, Complex Area Superintendent for the Castle-Kahuku Complex; the Department of Education, Kaaawa Elementary School Principal; the State Council on Developmental Disabilities; the Hawaii Association of Independent Schools; the Special Education Advisory Council; the Community Children's Council of Hawaii; and five individuals. Your Committee received testimony in opposition to this measure from the Autism Society of Hawaii and one individual.

Your Committee finds that situations arise in which private special education schools or programs provide placement opportunities for students with disabilities at the Department of Education's expense. Your Committee further finds that it is vital that these special education schools or programs comply with federal and state laws and are accredited to ensure that disabled students are receiving appropriate services.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1503, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Kidani). Noes, none. Excused, none.

**SCRep. 332 (Majority) Education on S.B. No. 814**

The purpose and intent of this measure is to:

- (1) Convert certain revolving funds of the University of Hawaii into special funds;
- (2) Repeal certain funds of the University of Hawaii; and
- (3) Transfer the remaining balances of specific repealed funds to the University of Hawaii Auxiliary Enterprises Special Fund.

Your Committee received testimony in support of this measure from the University of Hawaii System.

Your Committee finds that this measure will provide greater flexibility and increased efficiency in the use and management of certain funds. In addition, the repeal and reclassification of the funds indentified in this measure are in accordance with the findings and recommendations of a December 2009 report of the Auditor of the State of Hawaii.

Your Committee notes concerns over the large number of special, revolving, and trust funds currently in existence and being proposed for creation. As such, your Committee has requested that the University of Hawaii reexamine all funds for possible consolidation or repeal.

Your Committee has amended this measure by:

- (1) Adding language to amend section 304A-2264, Hawaii Revised Statutes, to establish the University of Hawaii's Conference Center Revolving Fund within the University of Hawaii at Manoa, instead of within the College of Continuing Education and Community Service at the University of Hawaii at Manoa, and provide flexibility in the use of monies in that Fund;
- (2) Specifying that all fund balances remaining unencumbered and unexpended as of June 30, 2011, in the University of Hawaii's Conference Center Revolving Fund shall be transferred to the University of Hawaii Auxiliary Enterprise Special Fund established under section 304A-2157, Hawaii Revised Statutes; 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 that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 814, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 814, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 333 Education on S.B. No. 1174**

The purpose and intent of this measure is to establish a funding formula for charter school facilities.

Your Committee received testimony in support of this measure from the Charter School Administrative Office, the Charter School Review Panel, the Office of Hawaiian Affairs, Kamehameha Schools, Ho'okako'o Corporation, Hawaii Technology Academy, West Hawai'i Explorations Academy, Hawaii Charter Schools Network, and one individual. Your Committee received testimony in opposition to this measure from the Department of Education.

Your Committee finds that facilities funding for charter schools is a critically important issue; however, as the discussions on a specific funding formula are ongoing, your Committee finds that it is appropriate to delay the codification of a funding formula in statute at this time. Continued deliberation will give charter school stakeholders more time and opportunity to flesh out the details of a funding formula.

Your Committee's intent is that until a funding formula is established, the Charter School Administrative Office should prepare proposed budget requests for needs-based facilities funding pursuant to section 302B-8(b), Hawaii Revised Statutes, and provide a detailed explanation as to the formula used in developing the budget request and a funding request breakdown by school.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 302B-8(b), Hawaii Revised Statutes, to:
  - (A) Require that budget requests for needs-based facilities funding be accompanied by a detailed explanation as to the formula used and the funding request breakdown by school;
  - (B) Remove the requirement that the budget requests provide funding based on projected enrollment for the ensuing school year;



- (C) Remove the requirement that the budget requests contain a calculation of per-pupil funding based on the Department of Budget and Finance's debt service appropriation by the Department of Education's actual enrollment that school year; and
- (D) Remove the requirement that the budget requests provide that no less than seventy percent of the amount appropriated shall be allocated by the Charter School Administrative Office to start up charter schools on a per-pupil basis; and
- (2) Re-establishing the Charter Schools Funding Task Force created by Senate Concurrent Resolution No. 108, S.D. 2 (2010) to specifically develop a needs-based facilities funding formula for charter schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1174, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Taniguchi).

**SCRep. 334 (Joint) Education and Water, Land, and Housing on S.B. No. 1385**

The purpose and intent of this measure is to establish the Public School Lands Trust in order to generate income to improve public school facilities and infrastructure to meet the challenges of the twenty-first century and beyond.

Your Committees received testimony in support of this measure from the Land Use Research Foundation of Hawaii and two individuals. Your Committees received testimony in opposition to this measure from the Department of Budget and Finance, the Office of Hawaiian Affairs, and the Office of the Mayor of the City and County of Honolulu. Your Committees received comments on this measure from the Department of Education and the Department of Land and Natural Resources.

Your Committees find that the considerable amount of underutilized public school lands can be used as a resource to bring in and leverage funds to improve public school facilities and build infrastructure to bring classes up to twenty-first century standards. Your Committees further find that this measure provides the State with an innovative method, which has been successful in other states, of using its assets to generate income to benefit Hawaii's public schools.

Your Committees have amended this measure by inserting:

- (1) Language to require that any sale of land from the Public School Lands Trust be approved by no less than a two-thirds majority of members in each house of the Legislature; and
- (2) An effective date of July 1, 2050, to allow for further discussion of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1385, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1385, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Nishihara, Shimabukuro).

**SCRep. 335 (Joint) Education and Water, Land, and Housing on S.B. No. 1521**

The purpose and intent of this measure is to:

- (1) Allow the Hawai'i Institute of Marine Biology of the University of Hawai'i to use staff of the Department of Land and Natural Resources to provide security at Moku-o-loe Island (Coconut Island); and
- (2) Exempt the Hawai'i Institute of Marine Biology from state permitting requirements for repair and maintenance at Coconut Island.

Your Committees received testimony in support of this measure from the Hawai'i Institute of Marine Biology of the University of Hawai'i. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources and one individual.

Your Committees find that Coconut Island is a unique marine environment requiring special security considerations that the Hawai'i Institute of Marine Biology is unable to provide on its own at this time. Your Committees further find that state and county permit processes have hindered the ability of the Hawai'i Institute of Marine Biology to conduct necessary repairs and maintenance at Coconut Island.

In consultation with the Hawai'i Institute of Marine Biology and the Department of Land and Natural Resources, your Committees have amended this measure by:

- (1) Exempting the Hawai'i Institute of Marine Biology from county permit requirements for the repair and maintenance of its facilities at Coconut Island;
- (2) Adding a sunset date of July 1, 2016; 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 Education and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1521, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1521, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 336 (Joint/Majority) Energy and Environment and Commerce and Consumer Protection on S.B. No. 367**

The purpose and intent of this measure is to establish a regulatory structure for the installation and implementation of an interisland high-voltage electric transmission cable system and for the construction of on-island transmission infrastructure, provide for the eventual acquisition of the cable system by the utility company from the cable company, allow the utility company to recover the costs of acquiring the cable system and developing the on-island infrastructure through an automatic rate adjustment clause and then through its rates, and allow the utility to recover the reasonable costs, as determined by the Public Utilities Commission, of predevelopment and development in the event that the system is not completed.

Your Committees received testimony in support of this measure from Robbie Alm, Hawaiian Electric Company, Inc. Your Committees received testimony in opposition to this measure from Alan M. Arakawa, Mayor, County of Maui; Native Hawaiian Legal Corporation; Friends of Lanai; Isaac Davis Hall, Friends of Lanai; Debbie Gowensmith, Hawai'i Community Stewardship Network; Hawaii's Thousand Friends; Henry Curtis, Life of the Land; Warren Osako; Robin Kaye; Laura Novell; Lisa Galloway; Beverly R. Zigmond; Mike Bond; Maggie Daub; Uilani Stokes; Michael J. DeWeert; Christine Costales; Karen Chun; Samuel B. Dimaya, Jr.; Rohana T.P. Dimaya; Dajia M. Dimaya; Roseline C. Dimaya; Andrea I. Jepson; Haaheo Kahoohalahala; Kealakaa Quitevis; B.A. McClintock; Mary A. Guinger; James Berlin; Roselani Kahoohalahala; Christine Mumford; Kaulana Kaho'ohalahala; John Schaumberg and Donna Mae Kaoupiiki Schaumberg; George Peabody; Sally Kaye; Adolph Helm; Fairfax A. Reilly; Anela Evans; Dorothy I. Cornell; Elena Bryant; Glenn Ioane Teves; Paul Berry; Kevin Killeen; and Rob Kinslow. Your Committees received comments on this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; Carlito P. Caliboso, Public Utilities Commission; Jeffery T. Ono, Department of Commerce and Consumer Affairs, Consumer Advocate; Warren Bollmeier, Hawaii Renewable Energy Alliance; and Cory Harden.

Your Committees find that attaining independence from reliance on fossil fuels is a long-standing objective of the State and that in order to achieve this goal, electric utility companies need to target technologies that are commercially available, are capable of being developed within the near term, are available on a large scale, and can be used to generate electricity that can be delivered to Hawaii's load centers. Your Committees further find that technical implementation and routing studies have been conducted that show that it is technically feasible to connect renewable energy generation facilities in Maui County to the Oahu load using undersea high-voltage transmission cables and that economic analyses have shown that harnessing the wind resources for the islands appears to be a relatively cost-effective means for helping to meet Hawaii's energy policy objectives.

Your Committees recognize that the capital costs of constructing renewable energy generation projects and developing high-voltage electric transmission cable systems are substantial in relationship to the electric utility companies' existing rate bases and it is expected that renewable energy generation projects and transmission cable projects will be installed by non-utility investors that assume financial responsibility for the projects until they achieve commercial operations. This measure establishes the regulatory structure under which interisland undersea transmission cables can be developed, financed, and constructed on commercially reasonable terms in order to meet Hawaii's clean energy objectives and reduce the State's overall dependence on imported fossil fuels.

Your Committees recognize that interisland electric cables may eventually be used to link all of the islands of the State, that the State's ratepayers need to be protected from unreasonable cost overruns, and that the State has an interest in overseeing all aspects of projects of this magnitude.

Accordingly, your Committees have amended this measure by:

- (1) Making it generally applicable to any potential interisland high-voltage electric transmission cable system;
- (2) Adding definitions for "commercial operations date", "cost effective", "energy resources coordinator", "power purchase agreement" and "project-on-project financing";
- (3) Specifying that requests for proposals issued and authorized by the Public Utilities Commission for this type of project shall be developed with input from the state Energy Resources Coordinator;
- (4) Giving the Public Utilities Commission more authority and discretion to:
  - (A) Determine how and when the utility will recover its costs;
  - (B) Determine the "commercial operations date"; and
  - (C) Approve, disapprove, or approve subject to certain conditions:
    - (i) Applications for certificates of public convenience and necessity;
    - (ii) The cable company's transmission tariff;
    - (iii) The utility's revenue requirement; and
    - (iv) The cable company's and the utility company's rates of return; and
- (5) 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 Energy and Environment 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. 367, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 367, S.D. 2, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5; Ayes with Reservations (Baker, English, Galuteria). Noes, 2 (Ihara, Slom). Excused, 3 (Nishihara, Solomon, Taniguchi).

**SCRep. 337 (Joint/Majority) Energy and Environment and Commerce and Consumer Protection on S.B. No. 182**

The purpose and intent of this measure is to direct the Public Utilities Commission to create and implement an on-bill financing program for residential electric utility consumers to finance purchases of energy efficient or renewable energy devices and systems through their electric utility bills.

Your Committees received testimony in support of this measure from Jeffrey T. Ono, Department of Commerce and Consumer Affairs; Blue Planet Foundation; Sierra Club, Hawai'i Chapter; Warren Bollmeier, Hawaii Renewable Energy Alliance; Hawaii Solar Energy Association; and Brian Bell. Your Committees received comments on this measure from Carlito P. Caliboso, Public Utilities Commission; Alan Hee, Hawaiian Electric Company, Inc.; and Myoung Oh, Hawaii Association of REALTORS.

Your Committees find that up-front costs are a barrier preventing many Hawaii residents from installing renewable energy systems and replacing energy-inefficient home appliances with energy-saving alternatives. Existing tax credit and rebate programs have not been enough of an incentive to offset up-front costs. Your Committees further find that allowing public utilities customers to finance purchases of energy-saving appliances and renewable energy technology through on-bill financing backed by the public benefits fee may be a solution to the problem of high up-front costs.

Your Committees recognize, however, that on-bill financing can be expensive to administer and can cause a number of difficulties when tenants move or when property is sold. Therefore, your Committees have amended this measure by:

- (1) Removing the provisions requiring the Public Utilities Commission to implement an on-bill financing system and replacing them with provisions requiring the Public Utilities Commission to:
  - (A) Conduct a cost-benefit analysis of a proposed on-bill financing program;
  - (B) Develop recommendations for a possible model that addresses some of the concerns of implementing an on-bill financing system; and
  - (C) Submit a report to the Legislature no later than twenty days before the beginning of the 2012 Regular Session; and
- (2) Amending the purpose section accordingly.

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 are in accord with the intent and purpose of S.B. No. 182, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 182, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 338 (Joint/Majority) Energy and Environment and Economic Development and Technology on S.B. No. 1363**

The purpose and intent of this measure is to require businesses to collect an offset fee of 25 cents for distribution of every non-reusable checkout bag and provide for the Department of Health to collect seventy-five percent of the offset fees collected to be used for administration and enforcement of the offset fees.

Your Committees received testimony in support of this measure from Robert Barreca, Surfrider Foundation, Oahu Chapter; Robert D. Harris, Sierra Club, Hawai'i Chapter; Bob Loy, The Outdoor Circle; Stuart Coleman, Surfrider Foundation, Hawai'i Chapters; Marjorie Ziegler, Conservation Council for Hawai'i; Lee Brooke Roy, Plastic Free Hawaii; Bob Gutierrez, Times Supermarket; Susan M. Houghton, Safeway; Brad Parsons, Aloha Analytics; Mele Coleman; Noa Ching; Angela Atkins; Rachel Harvey; Nicole Lowen; Joy Leilei Shih; Tara D. Coomans; Scott Higgins; Gopal Butler; Mariya Gold; Renata Bell; Brian Bell; Roxanne Rivero; Aydee Camunas-Zelke; Ryo Kubota; Cara B. Wilson; Jennifer Milholen; Rosalyn Young; Sandra; Charlie Taylor; Evan Manning; Elik Vodovoz; Ken Sentner; Michael Gach; Jenna Chung; Marjorie Bonar; Danielle Best; Aisha Sayed; and Ben Robinson. Your Committees received testimony in opposition to this measure from Tim Shestek, American Chemistry Council. Your Committees received comments on this measure from Lauren Zirbel, Hawaii Food Industry Association; Victor Lim, Hawaii Restaurant Association; and Carol Pregill, Retail Merchants of Hawaii.

Your Committees find that the excessive use of non-reusable checkout bags presents an unnecessary hazard to the natural environment and that the State has a compelling interest in protecting its natural environment. This measure will reduce the adverse impact of non-reusable checkout bag waste on Hawaii's natural environment by establishing an offset fee for the distribution of non-reusable checkout bags.

Your Committees have amended this measure by:

- (1) Specifying that the exemption for take-out from restaurants applies to prepared food, for take-out or transport from restaurants;
- (2) Exempting customers who are recipients of food subsidies through the Women, Infants, and Children program (WIC) or the Supplemental Nutrition Assistance Program (SNAP);
- (3) Changing the date upon which the businesses are to remit the fees to the Department of Health from the fifteenth day of the month to the last day of the month;
- (4) Requiring businesses to submit their records of the fees collected to the Department on a quarterly basis or as directed by the Department; provided that the Department may inspect the record at its discretion at any time;

- (5) Deleting the requirement that if a county has a similar ordinance that it must be as stringent in its control or prohibition as this measure;
- (6) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (7) 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 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 S.B. No. 1363, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1363, 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 (Baker, English, Solomon). Noes, 1 (Slom). Excused, none.

**SCRep. 339 (Joint) Energy and Environment and Public Safety, Government Operations, and Military Affairs on S.B. No. 1425**

The purpose and intent of this measure is to prohibit landfills in a county with a population greater than or equal to 500,000 from accepting municipal solid waste beginning July 1, 2012, and to prohibit landfills in counties with populations less than 500,000 from accepting municipal solid waste after a date determined by a resolution of the respective county's legislative body.

Your Committees received testimony in support of this measure from Marti Townsend, KAHEA: The Hawaiian-Environmental Alliance; Ken Williams, Ko Olina Resort & Marina; The Resort Group; and Cynthia K. L. Rezendes. Your Committees received testimony in opposition to this measure from Loretta J. Fuddy, Department of Health; Timothy E. Steinberger, Department of Environmental Services, City and County of Honolulu; and Shannon Wood, Windward Ahupua'a Alliance.

Your Committees find that nations around the globe have established alternatives to landfills and that in an island state such as Hawaii it is appropriate to investigate other options for disposing of solid waste. Your Committees further find that a certain landfill in the State has incurred multiple fines, received several extensions, and contributed to significant environmental degradation even after the community that bears those burdens was promised that the landfill would be closed.

Your Committees do recognize, however, that landfills are necessary for the foreseeable future and that if landfills are forced to close, then certain counties will likely bear the burden of accepting solid waste from certain entities that currently take care of their own solid waste. Further, obtaining a permit for a new landfill is a lengthy process that may take five to six years.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that only the largest landfill as of January 1, 2011, in a county with a population greater than or equal to 500,000 shall be prohibited from accepting municipal solid waste; and
- (2) Extending to July 1, 2017, the date from which that landfill shall be prohibited from accepting municipal solid waste.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1425, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1425, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8; Ayes with Reservations (Ihara, Ryan). Noes, none. Excused, 1 (Baker).

**SCRep. 340 (Joint/Majority) Energy and Environment and Public Safety, Government Operations, and Military Affairs on S.B. No. 1365**

The purpose and intent of this measure is to prohibit the issuance of any permit on or after January 1, 2012, for new construction of certain structures, unless the structure's roof is constructed using cool roof materials, and require the counties to adopt and enforce rules, ordinances, and guidelines to enforce the use of cool roofs through the building inspection process.

Your Committees received testimony in support of this measure from Brian Bell. Your Committees received testimony in opposition to this measure from David Arakawa, Land Use Research Foundation of Hawaii.

Your Committees find that promoting energy conservation, reducing the State's dependence on imported oil, and combating what is known as the "heat island effect" can be achieved by this measure's requirements that cool roofing materials be used to upgrade the performance standards of new roofs.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1365 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, 7. Noes, 1 (Slom). Excused, 1 (Baker).

**SCRep. 341 Public Safety, Government Operations, and Military Affairs on S.B. No. 885**

The purpose and intent of this measure is to authorize the person designated by a decedent who died while serving in any branch of the United States Armed Forces to arrange for the final disposition of the decedent's body, under specified circumstances, through a United States Department of Defense Record of Emergency Data, DD Form 93.

Your Committee received testimony in support of this measure from one federal agency and one state department.

This measure is intended to recognize in statute the approach that Service members are required by federal law to follow in designating a person to direct the disposition of their remains. The DD Form 93 is an essential part of their military record, also designating their beneficiaries for Service members' group life insurance. Service members are required to update the form annually and before any deployment. This measure ensures that the DD Form 93 is consulted and viewed as the legally sufficient document for designating the disposition of their remains.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 885 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 342 Public Safety, Government Operations, and Military Affairs on S.B. No. 741**

The purpose and intent of this measure is to authorize the liquor commission of each county to prohibit any person from working as a server or seller at a licensed premise in the county unless the person is certified by the liquor commission as a server or seller. This measure also allows the county liquor commission to adopt rules to develop and offer a certification program for servers and sellers.

Your Committee received testimony in support of this measure from three entities.

Your Committee finds that certification processes, if developed and implemented effectively, can ensure that those selling and serving liquor in Hawaii do so responsibly and with an understanding of relevant state laws. Certification can be an effective means of combating illegal practices such as underage drinking and drunk driving.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 741 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 343 Public Safety, Government Operations, and Military Affairs on S.B. No. 1065**

The purpose and intent of this measure is to:

- (1) Create a new bargaining unit 14 to represent state law enforcement officers; and
- (2) Clarify that no election shall be directed by the Hawaii Labor Relations Board in any newly created bargaining unit of employees who are currently covered by a valid collective bargaining agreement.

Your Committee received testimony in support of this measure from one entity and numerous individuals.

Your Committee finds that state law enforcement employees are currently represented by units 3 and 4, which are designated for non-supervisory white collar and supervisory white collar positions, respectively. The new bargaining unit 14 proposed under this measure would provide for proper collective bargaining representation exclusively for state law enforcement officers, who have specific needs and issues unique to their working conditions. These specific needs and issues are not shared by other members in units 3 and unit 4.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 344 Public Safety, Government Operations, and Military Affairs on S.B. No. 1358**

The purpose and intent of this measure is to require the Department of Public Safety to make plans to reopen the Kulani Correctional Facility. Specifically, this measure requires the Department of Public Safety to:

- (1) Formulate a plan to reopen the Kulani Correctional Facility; and
- (2) Include in that plan an implementation process to transfer back incarcerated persons and to house new individuals at the Kulani Correctional Facility.

Your Committee received testimony in support of this measure from one state department, one county mayor, three entities, and ten individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from one state department.

Your Committee finds that the reopening of the Kulani Correctional Facility would ease prison overcrowding and provide sex offender treatment rehabilitation services. Prior to its closing, the Kulani Correctional Facility specialized in providing sex offender treatment, which the Department of Public Safety describes as one of the most successful programs in the country.

Hawaii's incarcerated persons who serve their incarceration sentences in Hawaii have more potential for rehabilitation when they can live in familiar surroundings and be close to relatives. Your Committee finds that consideration of the State's financial costs of incarceration on the mainland, rather than incarceration in Hawaii, is outweighed by the rehabilitation success of persons incarceration in Hawaii. Successful rehabilitation eventually results in lower recidivism and lower costs.

According to testimony of the Department of Public Safety, the Kulani Correctional Facility will provide custodial care and programs such as vocational training, treatment modalities, and educational services. This minimum-security facility is integral to the sequential phasing for offenders re-entering the community. The Kulani Correctional Facility is anticipated to provide the Department with the ability to return upwards of two hundred offenders from Arizona. This translates into approximately eighty jobs and \$4,745,000 in revenues.

According to testimony of the Mayor of Hawaii County, the decision to close Kulani created a drain on the County of Hawaii's economy. About seventy-five Department of Public Safety employees lost their jobs when Kulani closed, including corrections officers and employees who worked in treatment and job training programs. At the same time, local vendors such as food suppliers lost tens of thousands of dollars per month in business because they no longer supplied the prison.

Your Committee is concerned about the absence of a plan to ensure the continued operation of the Youth Challenge Program at Kulani. Your Committee requests the Department of Public Safety to include, as part of its plans, the continued operation, including relocation if necessary, of the Youth Challenge Academy on the Island of Hawaii.

Your Committee has amended this measure by setting the deadline to formulate the plan to reopen Kulani no later than December 1, 2011, and consistent with that amendment, changing the reporting date to twenty days prior to the convening of the Regular Session of 2012. Your Committee believes that the Department of Public Safety is able to formulate a plan this year, and time is of the essence in this urgent matter.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1358, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 345 (Majority) Public Safety, Government Operations, and Military Affairs on S.B. No. 1357**

The purpose and intent of this measure is to:

- (1) Require the Department of Public Safety and the Department of Accounting and General Services to plan and design the construction and operation of a new minimum-security facility at the site of the existing Oahu Community Correctional Center, similar to the facilities of the Honolulu Federal Detention Center; and
- (2) Authorize the issuance of general obligation bonds in an unspecified amount and make an appropriation for capital improvements authorized by this measure.

Your Committee received testimony in opposition to this measure from one state department.

Your Committee finds that the State began exporting some of its inmates to Mainland facilities about fifteen years ago because of overcrowded conditions and out of frustration from community opposition to construction of new prison facilities in Hawaii. However, your Committee concurs with Governor Abercrombie's recent comments (Honolulu Star Advertiser article, December 20, 2010) that sending prisoners to the mainland "costs money. It costs communities. It destroys families. It is dysfunctional all the way around — socially, economically, politically and morally."

Your Committee further finds that Mainland inmates from Hawaii should be back in Hawaii preparing to successfully re-enter their communities. More intervention and rehabilitation programs are necessary, as well as more prison space, to successfully bring back the State's inmates. Governor Abercrombie further states (Honolulu Star Advertiser article, December 16, 2010), "I will be working with the Department of Public Safety and with the Judiciary and with the Legislature to forge a comprehensive and integrated program to deal with the question of incarceration."

Your Committee is cognizant that the Department of Public Safety is presently making plans for the return of Hawaii inmates from Mainland correctional facilities. Testimony of the Department indicated that it is willing to work with the Department of Accounting and General Services to plan and design a minimum security correctional facility, in addition to various plans and designs already in place.

Your Committee has amended this measure by deleting its contents and inserting provisions to require the Department of Public Safety to:

- (1) Develop a master plan to:
  - (A) Return Hawaii inmates housed in mainland correctional facilities;
  - (B) Increase the inmate capacity of state correctional facilities, primarily the Oahu Community Correctional Center, Kulani Correctional Facility, and Waiawa Correctional Facility; and
  - (C) Provide interventional, educational, and rehabilitative services to returned inmates;
- (2) Consult with appropriate stakeholders in developing the master plan; and
- (3) Submit the master plan to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1357, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 346 Public Safety, Government Operations, and Military Affairs on S.B. No. 11**

The purpose and intent of this measure is to create a Department of the Sheriff to assume the duties and functions of the Sheriff Division of the Department of Public Safety.

Your Committee received testimony in support of this measure from one entity and numerous individuals. Your Committee received testimony in opposition to this measure from one state department. Your Committee received comments on this measure from one state department.

Your Committee finds that the Department of Public Safety is presently organized around three separate divisions: Corrections, Sheriff, and Narcotics Enforcement. Your Committee further finds that a proposal to establish a separate Department of the Sheriff may be warranted to mirror the practice of Mainland states that have a sheriff department and a corrections department. However, your Committee believes that the proposal warrants further study before enactment of any legislation.

Your Committee has amended this measure by deleting its contents and inserting provisions to create a transitional task force to study and report to the Legislature before the 2012 Regular Session a plan to establish a new Department of the Sheriff.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 11, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 347 Public Safety, Government Operations, and Military Affairs on S.B. No. 9**

The purpose and intent of this measure is to require the Department of Public Safety to seek and obtain accreditation for the Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc., no later than December 1, 2014.

Your Committee received testimony in support of this measure from one state department and twenty-five individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from one individual.

The Commission on Accreditation for Law Enforcement Agencies, Inc., created in 1979, serves as a law enforcement credentialing authority through collaboration with law enforcement executive associations. The Honolulu and Maui Police Departments are both accredited by the Commission on Accreditation for Law Enforcement Agencies, Inc. Your Committee finds that law enforcement officers, such as those in the Sheriff Division, have tremendous responsibilities, making the receipt of proper training, equipment, and organizational support imperative.

Your Committee has amended this measure by:

- (1) Requiring the Department of Public Safety to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012 on its progress in seeking accreditation pursuant to section 2 of this measure;
- (2) Requiring the report to the Legislature to include a description of the accreditation process and any problems or deficiencies that the Department has encountered or may encounter in obtaining the accreditation; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 9, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 9, 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. 348 (Joint) Tourism and Water, Land, and Housing on S.B. No. 1530**

The purpose of this measure is to authorize the Department of Land and Natural Resources to extend leases of public lands for commercial, hotel, resort, or industrial use upon the approval of a development agreement to make substantial improvements to the premises. The intent of this measure is to provide incentives for lessees of public land to reinvest in their premises.

Your Committees received testimony in support of this measure from the Hawai'i Tourism Authority. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that one of the key ways to increase tourism in Hawaii is to improve the physical infrastructure that supports the tourism industry. This measure will provide current lessees of public land designated for certain uses with added incentives to make long-term investments in these properties.

Prior to decision making, your Committees considered proposed amendments to this measure that address some of the concerns regarding the Department of Land and Natural Resources' lack of funding to perform the additional responsibilities required under this measure.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and adopting the proposed amendments, which:
  - (A) Describe legislative findings and the necessity and purpose of this measure;
  - (B) Limit the types of uses for which lease extensions may be authorized under this measure to hotel and resort use and defining that term;
  - (C) Require that any lease extension granted pursuant to this measure be subject to and include the most current lease form and leasing practices and policies of the Board of Land and Natural Resources; and
  - (D) Require applicants for lease extensions under this measure to pay for all costs and expenses incurred by the Department of Land and Natural Resources in processing, analyzing, and negotiating lease extensions and relevant documents;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Tourism and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1530, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1530, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Kouchi, Shimabukuro).

**SCRep. 349 Health on S.B. No. 797**

The purpose of this measure is to appropriate funds to the Department of Health to participate in any federal matching grant programs authorized by the federal Health Information Technology for Economic and Clinical Health Act with respect to health information technology systems. The intent of this measure is to improve patient care throughout the State of Hawaii by encouraging the provision of complete, accurate, and searchable health information at the point of diagnosis and care.

Your Committee received testimony in support of this measure from the Department of Health, Healthcare Association of Hawaii, Ku Aloha Ola Mau, and Hawaii Substance Abuse Coalition.

Your Committee finds that health information technology provides the overall framework for the comprehensive management and secure exchange of health information among providers, insurers, governments, and consumers. Your Committee further finds that the use of health information technology has the potential to improve health care quality, prevent medical errors, increase administrative efficiencies, decrease paperwork, and improve patient care throughout the State of Hawaii. This measure enables the State to take advantage of any available federal funds to develop valuable health information technology systems.

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. 797 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 350 Health on S.B. No. 798**

The purpose of this measure is to expand the definition of "quality assurance committee" to include interdisciplinary quality assurance committees composed of members from various health care organizations. The intent of this measure is to encourage robust discussion that includes the opinions of various health care organizations and leads to positive changes in policies, procedures, or practices.

Your Committee received testimony in support of this measure from The Queen's Medical Center and Hawaii Medical Service Association.

Your Committee finds that one of the cornerstones of modern medical care is an effective quality assurance program. Your Committee further finds that this measure will encourage a full and free discussion that leads to effective changes in quality assurance policies, procedures, and practices.

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. 798 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 351 (Majority) Health on S.B. No. 941**

The purpose and intent of this measure is to require policies of accident and health or sickness insurance to provide coverage for palliative care in order to ensure that individuals who are diagnosed with a chronic or serious disease are provided with adequate levels of care.

Your Committee received testimony in support of this measure from Hawaii Catholic Conference, the Healthcare Association of Hawaii, and Hawaii Family Forum. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, St. Francis Healthcare System of Hawaii, and one private citizen.



Your Committee finds that the ultimate goal of the State should be to provide universal palliative care for residents of Hawaii. Your Committee further finds that, although there is a need to define the term "palliative care", loosely defining the term will allow doctors adequate latitude to provide the levels of care they determine necessary to support their patients, which ultimately will provide more flexible palliative care.

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. 941 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, 1 (Slom). Excused, none.

**SCRep. 352 Health on S.B. No. 595**

The purpose of this measure is to establish a tax credit equal to one hundred percent of the amount of medical malpractice insurance premium paid by a physician if at least fifteen percent of a physician's total patient case load consists of patients on Medicaid. The intent of this measure is to address the shortage of physicians who are willing to accept Medicaid patients.

Your Committee received testimony in support of this measure from The League of Women Voters of Honolulu. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure will help to reward doctors who are acting in the public interest by providing critical health care services to patients who rely upon Medicaid for their health care payments.

Your Committee has amended this measure by reducing the amount of the tax credit available under this measure from one hundred percent to twenty-five percent of the amount of medical malpractice insurance premium paid by a qualified physician.

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. 595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 595, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 353 Health on S.B. No. 795**

The purpose and intent of this measure is to make an appropriation to the Department of Health for staffing and other initial costs necessary to begin the licensing process for home care agencies.

Your Committee received testimony in support of this measure from the Department of Health, Healthcare Association of Hawaii, and the Policy Advisory Board for Elder Affairs Legislative Committee.

Your Committee finds that the Department of Health's intent is for licensing fees charged to home care agencies to cover the administrative costs associated with licensing. However, initial funding is needed to start the licensing process so that these fees can be collected. This measure will provide critical first year funding.

Based on testimony received, your Committee learned that the Department of Health is still collaborating with home care agencies, consumer advocates, and other stakeholders to draft necessary administrative rules to implement the licensing of home care agencies pursuant to Act 21, Special Session Laws of Hawaii 2009.

Your Committee has amended this measure by:

- (1) Removing inaccurate language indicating that the Department of Health has already approved administrative rules to implement Act 21, Special Session Laws of Hawaii 2009; and
- (2) Inserting an effective date of July 1, 2050, to facilitate 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. 795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 795, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 354 Health on S.B. No. 1300**

The purpose of this measure is to amend the Hawaii Health Systems Corporation Board composition to add an at-large member appointed by the Governor, give voting rights to the ex-officio Director of Health member, and replace the Regional Chief Executive Officer ex-officio voting members with additional community members from the respective regional system boards. The intent of this measure is to affirm the State's commitment to provide quality health care for the people of the State by amending the Hawaii Health System Corporation's board structure and improving the accountability and sustainability of the health system.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation, Oahu Region and the Hawaii Health Systems Corporation Corporate Board of Directors.

Your Committee expressed concerns over the removal of the Regional Chief Executive Officers from the Hawaii Health Systems Corporation Corporate Board of Directors. Your Committee finds that continued inclusion of the Regional Chief Executive Officers on the Board of Directors will help the Board of Directors continue to build on the progress made by the regional systems to coordinate service delivery and improve the health of the island communities.

Your Committee has amended this measure by:

- (1) Increasing the number of members of the Hawaii Health Systems Corporation Corporate Board of Directors to eighteen;
- (2) Restoring the five Regional Chief Executive Officers as ex-officio, voting members of the Hawaii Health Systems Corporation Corporate Board of Directors in addition to the increased number of community members under this measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee respectfully requests that, if your Committee on Ways and Means should hear this measure, that your Committee on Ways and Means consider adding additional language to this measure that would clarify that only three members shall represent Maui County.

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. 1300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1300, 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. 355 (Majority) Health on S.B. No. 1289**

The purpose and intent of this measure is to increase the liquor tax and assess the new Sugary Beverage Healthy Hawaii Fee to encourage Hawaii residents to make healthy decisions relating to the consumption of liquid beverages that are proven to be harmful to human health.

Your Committee received testimony in support of this measure from the Department of Health, the Department of Taxation, American Heart Association, Hawai'i Primary Care Association, Healthy Mothers Healthy Babies Coalition of Hawaii, and one private citizen. Your Committee received testimony in opposition to this measure from the Hawaii Restaurant Association; Hawaii Sun Products, Inc.; Hawaii Food Industry Association; Waialua Soda Works; Ball Corporation; Hawaii Box and Packaging, Inc.; Business Diagnostics; Hawaii Packaging; Wine Institute; Coca-Cola Bottling Company of Hawaii; American Beverage Association; The FRS Company; Maui Hotel and Lodging Association; Hawaii Liquor Wholesalers Association; Distilled Spirits Council of the United States; InnerWorkings; MillerCoors; Maui County Farm Bureau; ILWU Local 142; The Pepsi Bottling Group; Tedeschi Vineyards, Ltd.; The Association of Food, Beverage and Consumer Products Companies; Goko Restaurant Enterprises, LLC; and forty-seven private citizens. Your Committee received comments on this measure from Pacific Transfer and the Tax Foundation of Hawaii.

Your Committee finds that increasing the liquor tax and imposing a sugary beverage fee would help the State curb the consumption of alcohol and sugary drinks, while generating additional tax revenue for the State. However, your Committee heard an overwhelming amount of testimony in opposition to the imposition of the Sugary Beverage Healthy Hawaii Fee imposed by this measure. Your Committee understands the impact the Fee will impose on the soft drink industry, including potential and widespread job reductions, and your Committee does not intend to inordinately suppress one industry or destroy a large sector of jobs. Your Committee maintains, however, that the consumption of alcohol continues to present a large number of health problems within society and measures geared toward reducing the consumption of alcohol should continue to be considered.

Accordingly, your Committee has amended this measure by:

- (1) Removing all references to the Sugary Beverage Healthy Hawaii Fee; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1289, 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, 2 (Shimabukuro, Wakai).

**SCRep. 356 Health on S.B. No. 38**

The purpose and intent of this measure is to require each hospital within the State to allow advanced practice registered nurses to practice within the full scope of their practice in order to fully utilize these health care professionals.

Your Committee received testimony in support of this measure from the Hawai'i State Center for Nursing; the University of Hawaii at Manoa School of Nursing and Dental Hygiene; and the Hawaii Government Employees Association. Your Committee received comments on this measure from the Healthcare Association of Hawaii, St. Francis Healthcare System of Hawaii, Kaiser Permanente, and one private citizen.

Your Committee finds that advanced practice registered nurses have proven themselves to have clinical experience of sufficient depth and breadth to safely practice within their specialties. Given the shortage of primary care providers, especially in rural and other underserved areas, your Committee further finds that hospitals within the State should recognize and allow these skilled professionals to realize the full extent of their practice.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to allow for 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. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 38, 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; Ayes with Reservations (Nishihara). Noes, none. Excused, 1 (Slom).

**SCRep. 357 (Joint) Health and Commerce and Consumer Protection on S.B. No. 591**

The purpose of this measure is to:

- (1) Require the registration of pharmacy benefit management companies with the Insurance Commissioner;
- (2) Regulate the practices of pharmacy benefit management companies; and
- (3) Require periodic audits of pharmacies that submit claims to pharmacy benefit management companies.

The intent of this measure is to ensure financial reliability, regulate the licensing of third-party administrators of prescription drug programs, known as pharmacy benefit management companies, and mandate full disclosure of drug costs and financial contracts.

Your Committees received testimony in support of this measure from one private citizen. Your Committees received testimony in opposition to this measure from the Hawaii Medical Service Association and 'Ohana Health Plan. Your Committees received comments on this measure from CVS Caremark.

Your Committees find that pharmacy providers, such as chain drug stores and independent pharmacies, are not currently subject to regulated auditing practices, and this measure will help to establish a more regimented and reliable audit procedure. Additionally, the registration and regulation of pharmacy benefit management companies will provide added safety for Hawaii's residents with respect to their health care needs.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) 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 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. 591, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 591, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Galuteria, Shimabukuro, Solomon, Slom).

**SCRep. 358 (Joint/Majority) Health and Public Safety, Government Operations, and Military Affairs on S.B. No. 1458**

The purpose and intent of this measure is to establish a licensing system under the Department of Health for the distribution of medical marijuana by:

- (1) Creating three classes of medical marijuana licenses: class 1 medical marijuana compassion center license for the sale of medical marijuana to qualified patients; class 2 medical marijuana cultivation license; and class 3 medical marijuana-infused products manufacturing license;
- (2) Specifying requirements for each class;
- (3) Making medical marijuana sales subject to income and excise taxes;
- (4) Establishing a special marijuana sales tax on sales of medical marijuana; and
- (5) Establishing a fee for issuance and renewal of a license.

The intent of this measure is to create a fully integrated cultivation and distribution program that will safely and more effectively regulate access to medical marijuana and generate jobs and revenue to provide resources for other state programs.

Your Committees received testimony in support of this measure from Americans For Safe Access; and fifteen private citizens. Your Committees received testimony in opposition to this measure from the Department of Health; the Department of Public Safety; Office of the Prosecuting Attorney, City and County of Honolulu; the Police Department, County of Maui; Save Our Society From Drugs; and one private citizen.

Your Committees acknowledge that the Medical Cannabis Working Group recommends the creation of a state regulated medical marijuana distribution system so that qualifying patients have safe and reliable access to medical marijuana. Testimony received on this measure suggests that the measure may be improved by imposing increased safety standards for licensees with respect to the licensee's initial licensing and ongoing operational standards.

Your Committees have amended this measure by:

- (1) Inserting unspecified amounts for the licensing fee of each of the three classes of licenses;
- (2) Deleting references to a quarterly special sales tax;
- (3) Specifying the number of class 1 licensees to be allocated to the islands of Hawaii, Kauai, Maui, Molokai, and Oahu;
- (4) Clarifying that the business premises of class 1 and class 2 licensees are subject to unannounced inspections by the Department of Health;
- (5) Requiring that all licensees install video surveillance cameras that operate twenty-four hours per day, seven days per week, and are accessible to law enforcement agencies;

- (6) Clarifying that no class 1 medical marijuana compassion center licensee, class 2 medical marijuana cultivation licensee, or class 3 medical marijuana-infused products manufacturing licensee shall be located within five hundred feet of any day care facility, public or private school, or another class 1, class 2, or class 3 licensee facility; and no licensee of any class shall be located within two miles of any other licensee of any class;
- (7) Extending from five to ten preceding years the time during which a person who has had a felony drug conviction shall be ineligible to obtain or renew a license;
- (8) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (9) 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 Health and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1458, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1458, 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 (Chun Oakland, Green). Noes, 2 (Nishihara, Slom). Excused, 2 (Shimabukuro, Wakai).

**SCRep. 359 (Joint) Health and Commerce and Consumer Protection on S.B. No. 948**

The purpose and intent of this measure is to require insurers, hospital and medical services plans, and health maintenance organizations to provide coverage for treatment, including cognitive and neurocognitive therapy, neurobehavioral and neuropsychological testing or treatment, and necessary post-acute transition services or community reintegration activities, of survivors of brain injuries to facilitate these patients' access to needed post-trauma therapies.

Your Committees received testimony in support of this measure from the Hawaii Disability Rights Center and two private citizens. Your Committees received testimony in opposition to this measure from the Hawaii Association of Health Plans and Hawaii Medical Service Association. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs and the American Family Life Assurance Company of Columbus (AFLAC).

Your Committees find that survivors of traumatic brain injury can lead full lives thanks to lifesaving medical techniques and rehabilitation services. Your Committees find that mandating certain levels of coverage for these services will enable these survivors to access the medical care they need to recover. Cognitive rehabilitation therapy is provided by many different types of programs. Your Committees heard testimony indicating that some cognitive rehabilitative therapy programs may last for many years, sometimes decades. Your Committees also heard testimony that expressed concerns with the impact that a mandate for unlimited coverage for these types of therapies would have on insurers operating throughout the State.

Accordingly, your Committees have amended this measure by limiting the expanded coverage under this measure for therapy and services associated with acquired brain injuries to a period of up to six months from the date the injury occurred.

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. 948, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 948, 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 (Galuteria, Shimabukuro, Solomon, Slom).

**SCRep. 360 (Joint/Majority) Health and Judiciary and Labor on S.B. No. 615**

The purpose and intent of this measure is to require coverage of infertility treatments including procedures other than in vitro fertilization and to remove the requirement that recipients of infertility treatments be married in order to provide an increased number of covered infertility treatments to a broader group of Hawaii's residents.

Your Committees received testimony in support of this measure from the American Society for Reproductive Medicine, Pacific In Vitro Fertilization Institute, Hawaii Reproductive Center, and nine private citizens. Your Committees received testimony in opposition to this measure from the Hawaii Medical Service Association. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that over the past twenty-four years, many improvements have been made to the in vitro fertilization process and that pregnancy rates have continued to go up year after year. However, nationally and in Hawaii, many couples remain childless after only one in vitro fertilization attempt. Your Committees further find that this measure will enable many more childless couples to have an increased chance at having a family.

Your Committees have amended this measure by:

- (1) Requiring covered in vitro fertilization procedures to be performed at medical facilities that are members of the Society for Assisted Reproductive Technologies to ensure that in vitro fertilization procedures are performed at quality facilities that abide by established standards of care; and
- (2) 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 Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 615, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 615, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9; Ayes with Reservations (Baker). Noes, 1 (Slom). Excused, none.

**SCRep. 361 (Joint) Health and Judiciary and Labor on S.B. No. 1106**

The purpose and intent of this measure is to create and appropriate funds for a Workplace Wellness Pilot Program to evaluate health and wellness alternatives that reduce the incidence of chronic disease, support state employees in adopting and maintaining healthier lifestyles, and reduce the costs of health care expenditures associated with emergency care and other hospital-based treatments for avoidable chronic diseases.

Your Committees received testimony in support of this measure from the Department of Health; American Cancer Society Hawai'i Pacific, Inc.; and two private citizens.

Your Committees find that Hawaii must comply with federal health reform legislation requirements by 2014, including mandating physician reimbursements for outcomes rather than transactions. Your Committees further find that this measure will help Hawaii meet these federal reform requirements.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1106 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, none.

**SCRep. 362 Health on S.B. No. 1516**

The purpose and intent of this measure is to exempt collaboration among managed care plans, health care providers, and government agencies from state antitrust laws when the collaboration is intended to adopt uniform administrative procedures to enhance the quality of health care in Hawaii.

Your Committee received testimony in support of this measure from Hawaii Medical Service Association, Hawaii Medical Association, and the Healthcare Association of Hawaii.

Your Committee finds that collaborative development of uniform administrative standards for quality health care measures could help produce better quality health care that is more cost effective, while allowing providers to spend more time providing quality patient care and less time with administrative claims procedures. To encourage productive discussion and agreements between health care providers, insurers, and other interested entities on uniform administrative standards regarding evidence-based medicine, clinical efficacy, and quality in health claims processing, such collaboration should be exempt from the State's unfair competition and antitrust laws, which might otherwise deter or prevent this type of beneficial cooperation. Based on testimony received, your Committee finds that this measure could be improved by opening the discussion to certain parties who have expressed an interest in attending and receiving notifications of these discussions.

Accordingly, your Committee has amended this measure by:

- (1) Adding language requiring that all accident and health or sickness insurers, third party administrators, health care providers or facilities, and managed care plans operating within the State of Hawaii, and the Insurance Division of the Department of Commerce and Consumer Affairs be provided with notice and an opportunity to participate in the collaborative discussions; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1516, 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, 2 (Shimabukuro, Wakai).

**SCRep. 363 (Majority) Commerce and Consumer Protection on S.B. No. 122**

The purpose and intent of this measure is to require that health insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations provide benefits for services provided by naturopathic physicians to the same extent as services rendered by another health care provider and recognize naturopathic physicians as covered primary care providers.

Your Committee received testimony in support of this measure from the Hawaii Society of Naturopathic Physicians and one hundred twenty-three private individuals. Your Committee received testimony in opposition to this measure from the Hawaii Medical Association, Hawaii Association of Health Plans, and Hawaii Medical Service Association. Your Committee received comments on this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs.

Your Committee finds that the services provided by naturopathic physicians are an important component of comprehensive health care. Your Committee also finds that in the context of Hawaii's chronic shortage of qualified health care providers, naturopathic physicians may be able to play a role in expanding access to primary health care within the State. Your Committee notes that services of a naturopathic physician are currently included in workers' compensation benefits. Your Committee further finds that while a requirement for universal insurance coverage of services provided by naturopathic physicians may be an overly-broad mandate for coverage of services that constitute a specialized niche in the overall health care marketplace, allowing a patient to select the services of a naturopathic physician is an important component of preserving patient choice in the health care system.

Your Committee has amended this measure by:

- (1) Deleting provisions requiring all health insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations to provide coverage for services delivered by a naturopathic physician and to recognize naturopathic physicians as primary care providers;
- (2) Adding provisions to require all providers of health care benefits that offer a complementary and alternative medicine rider to include services provided by a naturopathic physician in coverage under the rider by July 1, 2011;
- (3) Adding provisions to specify that the reimbursement rate for services provided by a naturopathic physician shall be the same as the workers' compensation reimbursement rate;
- (4) Directing all providers of health care benefits to work collaboratively with the Board of Naturopathic Medicine to develop standards and criteria for certifying naturopathic physicians as preferred providers or making the option to elect services of a naturopathic physician under the same terms as services provided by another health care provider by January 1, 2012; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 122, 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 (Green, Solomon). Noes, 1 (Slom). Excused, 1 (Galuteria).

**SCRep. 364 (Majority) Judiciary and Labor on S.B. No. 1073**

The purpose and intent of this measure is to increase the amount of the surcharges for indigent legal fees.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; the Hawaii Access to Justice Commission; Volunteer Legal Services Hawai'i; Hawaii State Coalition Against Domestic Violence; Japanese American Citizens League; The Mediation Center of the Pacific, Inc.; Domestic Violence Action Center; Hawaii Justice Foundation; Hawaii Disability Rights Center; Legal Aid Society of Hawaii; and two individuals. Your Committee received testimony in opposition to this measure from the Collection Law Section of the Hawaii State Bar Association; The League of Women Voters of Hawaii; forty small businesses and numerous private individuals.

Your Committee finds that the purpose of the Indigent Legal Assistance Fund is to support legal services. Currently, the law provides for a \$25 surcharge in civil cases in Circuit Court when there is an initial filing, such as a complaint or petition, a \$10 surcharge when filing a summary possession charge in District Court, and a \$25 surcharge when filing a civil action in the Supreme Court. The funds generated are placed in the Indigent Legal Assistance Fund for distribution to organizations that provide civil legal assistance to indigent persons. The Administrative Director of the Courts administers the funds in cooperation with the Hawai'i Justice Foundation. For reference, in fiscal year 2007-2008, the amount to be distributed to eight legal service providers was \$305,000.

Funding from the Indigent Legal Assistance Fund helps to support legal service providers such as Domestic Violence Action Center, Hawaii Disability Rights Center, Legal Aid Society of Hawaii, Mediation Center of the Pacific, Native Hawaiian Legal Corporation, University of Hawaii Elder Law Program, and Volunteer Legal Services Hawai'i, enabling these agencies to provide civil legal services to low- and moderate-income residents. According to a 2007 report prepared by the Access to Justice Hui, "Achieving Access to Justice for Hawai'i's People" (the report), these legal service providers provide a wide variety of critical legal services to the public. Approximately 37.37 percent of these services consists of family law matters, 13.08 percent involves public entitlements, 12.82 percent pertain to domestic violence, 11.61 percent consist of housing or land issues, while the remaining services pertain to other various areas of law.

The fees from which these legal services are funded have not increased since their establishment in 1996, pursuant to Act 305, Session Laws of Hawaii 1996. Since that time, inflation has increased substantially, eroding the buying power of the aggregate fees collected. For example, in Hawaii, the price of unleaded gasoline in 1996 was \$1.10 per gallon, and today it is \$3.75, a 240 percent increase. In 1996, the Consumer Price Index (CPI), a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services, was 170.7. In 2011, the CPI is projected to be 240.2, a 40.7 percent increase. The annual expenditure by household for food in Hawaii averaged over the two-year period from 1996 to 1997, was \$5,672; for the two-year period 2004-2005 (the last year for which expenditures for Honolulu households were reported separately), the average annual expenditure by household for food in Hawaii was \$8,089, a 42.6 percent increase.

Moreover, the base from which these fees are generated may have decreased since 1996. In 1996, there were 15,630 Circuit Court cases filed and 552,378 District Court cases filed. By contrast, in 2009, there were 12,347 Circuit Court cases filed and 480,665 District Court cases filed. Because the funds available for indigent legal services are based on filing fees, it appears that the aggregate funding for these services has actually decreased since 1996.

Additionally, other sources of funding for these legal providers have diminished. Currently, the funding from the Indigent Legal Assistance Fund comprises approximately fourteen percent of the appropriations to these services providers for indigent legal services. Other funding is being curtailed, making this source of funding much more critical to the agencies attempting to assist those that gravely need civil legal assistance. For example, those service providers who receive federal funding have already been told to anticipate significant cuts in funding, potentially in excess of twenty-five percent.

By contrast, the demand for legal services funded by these fees has increased. Unlike other court cases, initial court filings for domestic violence cases, such as restraining orders, has increased dramatically from 2,553 cases in 1996 to 5,095 cases in 2009, a 99.6 percent increase. Given the current state of the economy, many residents and their families are struggling to stay in their homes and to feed their families and do not have the resources to retain a private attorney to assist them with their legal needs. According to the report, one quarter of Hawai'i's residents live below 200 percent of the federal poverty guideline. Since 1989, the number of people

living below 125 percent of the federal poverty guideline in Hawaii has grown almost 30 percent to 156,321. These are the residents that the Indigent Legal Assistance Fund helps, and their numbers are growing.

Your Committee finds that while the establishment of the Indigent Legal Assistance Fund has helped reduce the portion of Hawaii's residents with unmet legal needs from less than ten percent in 1993 to twenty percent in 2007, there are still a substantial number of low- and moderate-income Hawaii residents who are not getting the legal assistance they need. Accordingly, your Committee believes that an increase in the surcharge on filing fees is entirely appropriate.

Your Committee has amended this measure 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1073, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1073, 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 (Gabbard).

**SCRep. 365 (Majority) Judiciary and Labor on S.B. No. 1037**

The purpose and intent of this measure is to increase the minimum wage to ensure that the lowest-paying jobs in our State keep up with the proportional increase in inflation by:

- (1) Increasing the minimum wage to \$8.50 per hour beginning July 1, 2011, and ending December 31, 2012; and
- (2) Adjusting the minimum hourly wage beginning January 1, 2013, and thereafter according to the Consumer Price Index for Urban Wage Earners and Clerical Workers.

Your Committee received testimony in support of this measure from ILWU Local 142. Your Committee received testimony in opposition to this measure from The Chamber of Commerce of Hawaii. Your Committee received comments on this measure from the Department of Labor and Industrial Relations.

Your Committee recognizes that there are concerns about the fiscal impact of an increase to the minimum wage. Your Committee finds that the minimum wage represents a wage floor, and most employers try to pay slightly more than the minimum wage to recruit and retain employees. However, if the minimum wage floor remains stagnant for years at a time, low-wage workers will remain underpaid and need to rely on government programs like Medicaid and food stamps or private programs like the Food Bank to supplement their families' income.

Your Committee notes that, during the 2010 legislative session, a similar measure, S.B. No. 2244 (2010), was heard by the Senate Committee on Labor. At that time, there were concerns about the establishment of an automatic adjustment mechanism. Your Committee believes that this concern is well-taken.

Accordingly, your Committee has amended this measure by:

- (1) 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;
- (2) Inserting an effective date of July 1, 2050, to facilitate 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1037, 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 (Gabbard).

**SCRep. 366 (Majority) Judiciary and Labor on S.B. No. 1040**

The purpose and intent of this measure is to change the civil penalty amounts and additional criminal fines to unspecified amounts for violations of the Hawaii Occupational Safety and Health Law (HIOSH).

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, ILWU Local 142, and the Hawaii Laborers' Union. Your Committee received comments on this measure from the Roofing Contractors Association of Hawaii.

Your Committee finds the current penalties for violations of HIOSH were last increased in 1992, under a Congressional mandate. As noted in the testimony submitted by the Department of Labor and Industrial Relations, Congressional and state intent is for penalties to be sufficient to provide deterrence for employers who choose to disregard their obligations to provide a safe and healthy workplace. While the Department has been seeking to prevent workplace accidents through a mix of incentives for those employers who want to but cannot comply with HIOSH and disincentives for employers who repeatedly choose to disregard HIOSH, the amount of penalties should be updated to adequately fulfill that disincentive function.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to facilitate further discussion on this measure particularly the appropriate penalty amounts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1040, 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 (Gabbard).

**SCRep. 367 (Joint/Majority) Judiciary and Labor and Agriculture on S.B. No. 1079**

The purpose and intent of this measure is to protect farmers and ranchers from the effects of trespass on their agricultural land and ranch land by:

- (1) Clarifying that owners of agricultural land and ranch land have no duty of care to keep their lands safe for trespassers or to warn them of potentially dangerous conditions on the land, except when the owner is grossly negligent or intentionally injures the trespasser;
- (2) Deleting the requirements that agricultural lands must be fenced and display signs identifying the agricultural land as private property, for purposes of criminal trespass on agricultural land;
- (3) Authorizing a fine of up to \$10,000 for a violation of criminal trespass in the second degree for trespass on agricultural land; and
- (4) Establishing a fund into which the fines described in paragraph (3) above shall be deposited to be used by the county in which the agricultural trespass occurred.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation, the Maui Cattlemen's Association, the Hawaii Cattlemen's Council, Inc., the Kauai Cattlemen's Association, and six individuals. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice. Your Committees received comments on this measure from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committees find that farms and ranches within the State are being used without permission from owners for hiking, hunting, dirt biking, and on occasion illegal activities. When trespassers go onto farms and ranches, they may injure themselves then threaten to sue the owners for their injuries. Due to the nature of the activities on this type of land, there may be large tracts or areas, such as irrigation ditches or areas containing farm equipment that are not feasible to make safe. By increasing the penalties for trespassing on agricultural land, your Committees intend to deter these trespassers from going onto agricultural and ranch land so that fewer or no injuries will occur.

Your Committees acknowledge that while establishing an enforcement fund may help to offset the costs to law enforcement for enforcing criminal trespass, establishing this type of fund adds a layer of complexity to this measure that may not be necessary.

Accordingly, your Committees have amended this measure by:

- (1) Deleting references to the Criminal Trespass on Agricultural Lands Enforcement Fund to more simply effectuate the intent of this measure;
- (2) Adding irrigation systems to the definition of "land", to ensure that these components are included within the protections given to ranch land and agricultural land owners;
- (3) Broadening the type of agricultural land that is covered under the criminal trespass in the second degree law by including a description of ranch land and fallow land;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (5) 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 Judiciary and Labor and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1079, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1079, 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, 5 (Chun Oakland, Dela Cruz, Gabbard, Tokuda, Wakai).

**SCRep. 368 (Joint) Judiciary and Labor and Health on S.B. No. 1460**

The purpose and intent 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.

Your Committees received testimony in support of this measure from the The Libertarian Party; NORML Foundation; American Civil Liberties Union of Hawai'i; the Drug Policy Forum of Hawai'i; the Drug Policy Action Group; Peaceful Sky Alliance; Law Enforcement Against Prohibition; Natural Cancer Wellness Foundation; Friends 4 Justice; and twenty-five individuals. Your Committees received testimony in opposition to this measure from the Attorney General; the Department of Public Safety; the Department of the Prosecuting Attorney of the City and County of Honolulu; the Hawaii County Office of the Prosecuting Attorney; the Police Department of the City and County of Honolulu; the County of Hawai'i Police Department; Save Our Society From Drugs; Coalition for a Drug-Free Hawaii; and one individual.

Your Committees find that there are significant concerns about whether the current treatment of simple marijuana possession of one ounce or less is effective. According to a report by Lawrence W. Boyd, Ph.D, an economist from the University of Hawaii West Oahu, the costs of prosecuting simple marijuana possession far outweigh the benefits of doing so. Presently, state and county law enforcement agencies spend over \$4,000,000 per year to enforce marijuana possession laws. An additional \$2,100,000 is spent by the courts. Your Committees believe that these prosecution and enforcement costs are not borne by the current fines for a defendant convicted for simple possession of marijuana, typically \$50 to \$100, if any. On the other hand, a civil violation fine of \$100 should reduce costs for prosecution and enforcement, while increasing the fines collected for this conduct.



Your Committees received testimony from the Attorney General raising concerns of possession of marijuana near schools and the question of the method of adjudication of the violation. Moreover, several testifiers expressed concern that this measure might give the incorrect impression to minors that possession of marijuana was acceptable, notwithstanding that such possession is still prohibited conduct under this measure.

Accordingly, your Committees have amended this measure by:

- (1) Establishing an adjudicatory process for enforcing the violation that is similar to the enforcement of traffic violations;
- (2) Reiterating in the purpose section of the measure that making possession of one ounce or less of marijuana a civil violation does not imply that the Legislature believes that such conduct is acceptable and that under this measure, such possession is still prohibited conduct;
- (3) Deleting section 10 regarding controlled substances near schools, school vehicles, or public parks, which would have provided that mere possession of one ounce or less of marijuana would not constitute intent to distribute marijuana without other conduct;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (5) 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 Judiciary and Labor and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1460, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1460, 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 (Chun Oakland, Nishihara).

**SCRep. 369 (Majority) Judiciary and Labor on S.B. No. 1082**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit (3) and its excluded counterparts within the Executive Branch.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

While it is uncertain whether the State is in a position to fund general salary increases for public employees at this time, your Committee finds that this measure provides a vehicle to implement pending collective bargaining agreements with bargaining unit (3), should a vehicle be necessary to effectuate the purposes of this measure.

Your Committee notes that this measure, as introduced, was intended to appropriate unspecified sums for certain salary and cost adjustments related to collective bargaining unit (3), rather than for Hawaii Employer-Union Health Benefits Trust Fund costs. Accordingly, your Committee has amended this measure by replacing its contents with provisions that appropriate unspecified sums for:

- (1) All collective bargaining cost items for state employees and officers in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation, in collective bargaining unit (3); and
- (2) Salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees in the Executive Branch, in the Judiciary Branch, and who are employed by the Hawaii Health Systems Corporation who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (3).

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1082, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1082, 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 (Ihara).

**SCRep. 370 Judiciary and Labor on S.B. No. 34**

The purpose and intent of this measure is to clarify that discovery is prohibited and the award of costs are limited in controversies involving small claim tax appeals.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure will clarify that pretrial discovery is not allowed in the Small Claims Division of the Tax Appeal Court. While pretrial discovery is permitted in the civil courts, the Small Claims Court is intended to handle claims quickly and cheaply.

Your Committee has amended this measure 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 34, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 34, 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 (Gabbard).

**SCRep. 371      Judiciary and Labor on S.B. No. 957**

The purpose and intent of this measure is to create a Citizen's Family Law Advisory Committee to assist the Judiciary and the Legislature in improving the Family Court.

Your Committee received testimony in support of this measure from AngelGroup and eight individuals. Your Committee received testimony in opposition to this measure from the Judiciary and Hawaii State Bar Association Family Law Section.

Your Committee finds that significant barriers to justice exist within Hawaii's Family Court system. Your Committee further finds that a Citizen's Family Law Advisory Committee will provide within the Judiciary an ongoing and necessary means by which Judiciary personnel, Family Court professionals, related service providers, and the public can participate in and provide feedback about the Family Court and family law matters.

Your Committee has heard the concerns regarding the inclusion of a representative on the Citizen's Family Law Advisory Committee who is or was a party in a Family Court action. Your Committee notes that the Citizen's Family Law Advisory Committee already includes representation from a community layperson. Accordingly, your Committee believes that it is not necessary to include a representative who is or was a party in a Family Court action.

Your Committee has also heard testimony concerning the enumerated functions of the Citizen's Family Law Advisory Committee and the separation of powers. Your Committee recognizes that while the Legislature may create advisory committees to advise the Legislature about possible legislative acts and policies, similar committees cannot serve a comparable role within the Judiciary, which decides individual court matters on the basis of evidence and law.

Your Committee also notes that the Citizen's Family Law Advisory Committee would be empowered by this measure to conduct inquiries and studies, review legislation, evaluate alternatives, and make recommendations. Your Committee understands that there is a possibility that these functions may infringe on the Family Court's constitutionally mandated independence.

Your Committee has amended this measure by:

- (1) Deleting the provision that would have included a representative on the Citizen's Family Law Advisory Committee who is or was a party in a Family Court action;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 957, 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 (Gabbard, Ihara).

**SCRep. 372      (Majority) Judiciary and Labor on S.B. No. 946**

The purpose and intent of this measure is to:

- (1) Establish the Access to Justice Trust Fund under the Judiciary as an endowment to be administered by a nonprofit entity;
- (2) Require investment of the principal of the Trust Fund; and
- (3) Authorize the disbursement of interest earned from the investment of the Trust Fund to fund legal services for the poor, indigent, and other vulnerable populations.

Your Committee received testimony in support of this measure from the Domestic Violence Action Center and the American Civil Liberties Union of Hawai'i.

Your Committee finds that legal services providers lack adequate funding and attorneys to meet the need for affordable legal services for vulnerable populations in the State. This measure creates the Access to Justice Trust Fund to provide funding to nonprofit legal services organizations to assist with the legal services needs of the poor, indigent, and other vulnerable populations.

As this measure moves forward, your Committee requests that subsequent committees consider the measure's financial implications and examine the trust fund aspects of this measure.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 946, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Gabbard, Ihara).

**SCRep. 373      Judiciary and Labor on S.B. No. 958**

The purpose and intent of this measure is to:

- (1) Establish a program in the Family Court for the registration of child custody evaluators; and
- (2) Allow the Board of Family Court Judges to adopt procedures for the certification of child custody evaluators.

Your Committee received testimony in support of this measure from AngelGroup and eight individuals. Your Committee received comments on this measure from the Judiciary, the Family Law Section of the Hawaii State Bar Association, and one individual.

Your Committee finds that child custody evaluators can perform a valuable role in Family Court, by assisting the Family Court in making an informed decision regarding custody issues. Specifically, the intent of this measure is to establish a registry of these child custody evaluators, together with relevant information regarding each evaluator, to allow parties and their attorneys to select an appropriate evaluator for their case.

This measure also authorizes the Board of Family Court Judges to adopt standards and certifications for child custody evaluators. In 2006, your Committee notes that the Legislature adopted Senate Concurrent Resolution No. 52, S.D. 1 (2006), which requested the Committees on Human Services of the Senate and the House of Representatives to convene interim hearings on the use of legal interventions available to the Family Court and to establish one or more task forces (collectively, the SCR 52 Task Force) to facilitate their work. The SCR 52 Task Force submitted a report to the Legislature in 2008, Sen. Spec. Com. Rep. No. 2 (2008), that included recommendations regarding child evaluator licensing requirements. Among other things, the report recommended that a child custody evaluator be in good standing as a social worker, marriage and family therapist, psychologist, or psychiatrist. Your Committee believes that these and other recommendations from the 2008 report should be considered.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 958, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 374      Judiciary and Labor on S.B. No. 1489**

The purpose and intent of this measure is to clarify the law regarding attorney's liens to provide that an attorney's liens shall attach to judgments, decrees, orders, settlements, and awards pursuant to a court order or arbitration proceeding.

Your Committee received testimony in support of this measure from the Collections Law Section of the Hawaii State Bar Association.

Your Committee finds that section 507-81, Hawaii Revised Statutes, authorizes attorney's liens on certain actions, suits, and proceeds paid in satisfaction of these items, among other things. According to testimony submitted regarding this measure, this section was enacted pursuant to Act 49, Session Laws of Hawaii 2004, and was intended to address a double taxation issue arising from a position taken by the Internal Revenue Service. This measure is intended to clarify this law by eliminating an arbitrary one-year deadline for filing a lien and by making other technical amendments to the law.

Your Committee has amended this measure 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1489, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 375      Judiciary and Labor on S.B. No. 1090**

The purpose and intent of this measure is to:

- (1) Effect the mandatory conversion of positions that are exempt from civil service to civil service positions; and
- (2) Clarify that certain positions shall be filled according to the state Civil Service Law three years after the measure is effective.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association and the Society for Hawaiian Archaeology. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs; the Department of Public Safety; and the Office of Community Services, Department of Labor and Industrial Relations. Your Committee received comments on this measure from the Department of Human Resources Development.

Your Committee finds that this measure is intended to amend sections of the Hawaii Revised Statutes in order to conform with Act 253, Session Laws of Hawaii 2000, which placed restrictions on the creation of civil service exempt positions and required an annual review of exempt positions in order to determine whether those positions should remain exempt or be converted to civil service positions. Your Committee notes that there are many benefits to civil service, including that civil service status promotes stability among staff and fosters the retention of institutional memory in government agencies. Additionally, the civil service status of regulatory workers protects them from inappropriate pressure and treatment. Further, civil service protects employees via collective

bargaining agreements in key areas such as discipline, overtime, and reduction-in-force. Moreover, inappropriate use of exempt positions can result in the hiring of employees who are compensated more than their experience and qualifications warrant.

On the other hand, your Committee also recognizes that the conversion of exempt positions reduces the flexibility of departments and agencies to attract and retain employees from the private sector who may receive compensation packages that are different than those provided to civil service employees in similar positions. Your Committee understands the reluctance of the state departments to forfeit the flexibility afforded by exempt positions and acknowledges that there has been some effort by these departments to convert positions; however, your Committee believes that there are still areas of improvement where exempt positions may be converted for the benefit of the employees and the State.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1090, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 376 (Majority) Education on S.B. No. 1384**

The purpose and intent of this measure is to, beginning on July 1, 2012:

- (1) Make attendance in kindergarten mandatory;
- (2) Lower the compulsory education age from six to five years; and
- (3) Require children who are home-schooled or enrolled in alternative school programs for kindergarten to pass a standardized test approved by the Board of Education prior to entering first grade in public school.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and the Hawaii State Teachers Association. Your Committee received testimony in opposition to this measure from the Department of Education, the Hawai'i Educational Policy Center, and one individual. Your Committee received comments on this measure from the Early Learning Council and the Good Beginnings Alliance.

Your Committee finds that some children do not yet have the requisite skills, including social and emotional skills, to help them succeed in the first grade. Your Committee further finds that children entering the first grade should be assessed by certified early education teachers or the Department of Education to ensure that they are placed in an academically appropriate grade level.

Your Committee recognizes that going forward, this measure will need further discussion; however, it is your Committee's intent to ensure that children are entering school with the requisite skills to succeed.

Your Committee has amended this measure by:

- (1) Removing the mandatory kindergarten requirement;
- (2) Reestablishing the compulsory education age at six years;
- (3) Deleting the language requiring children who are home-schooled or enrolled in alternative school programs for kindergarten to pass a standardized test approved by the Board of Education prior to entering first grade in public school;
- (4) Deleting the language that would have established a task force to develop a standardized test;
- (5) Inserting language to require, beginning with the 2014-2015 school year, that:
  - (A) A child between four and six years of age on or before August 1 of the school year who has attended a kindergarten program pursuant to section 302A-411, Hawaii Revised Statutes, or a private kindergarten program shall be assessed by a qualified early education teacher prior to entrance to the first grade;
  - (B) The Hawaii Association of Independent Schools or the Early Learning Council shall certify all assessments conducted by a private kindergarten program prior to a child's entrance to the first grade; and
  - (C) A child who will be at least five years of age on or before August 1 of the school year who did not attend any type of kindergarten program shall be assessed by the Department of Education to ensure the child is prepared to enter the first grade; and
- (6) Amending section 1 to reflect its amended purpose.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1384, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, none.

**SCRep. 377 Education on S.B. No. 1382**

The purpose and intent of this measure is to direct the Legislative Reference Bureau to:

- (1) Examine the Higher Education Act of 1965, as amended, and regulations pursuant to that Act and make recommendations to ensure the State's compliance with provisions relating to the authorization of institutions that offer educational programs beyond secondary education; and
- (2) Examine existing functions relating to the licensing or authorization of any educational institution in the State, and administrators and instructors thereof, and make recommendations as to whether these functions should be consolidated and tasked to one state agency that would be responsible for the licensing and authorization of all educational institutions in the State and their related operations.

Your Committee received testimony in support of this measure from the Department of Education, the University of Hawai'i System, and the Hawaii Teacher Standards Board. Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that in October 2010, the United States Department of Education issued new regulations for programs authorized under Title IV of the Higher Education Act of 1965, as amended, to hold programs accountable for preparing students for gainful employment, protect students from misleading recruiting practices, ensure that only eligible students receive financial aid, and strengthen federal aid programs. Your Committee further finds that the State must proactively examine the requirements of the Higher Education Act of 1965, as amended, and ensure state compliance.

Your Committee also notes that while we are examining the possibility of establishing such a commission, it would be prudent to consider including as part of its functions teacher and principal licensure, as well as oversight over various federal programs that serve public and private educational institutions.

Your Committee notes the suggestion of the Legislative Reference Bureau that a commission be established and modeled after the Public Utilities Commission to examine the State's compliance with the Higher Education Act of 1965, as amended, and regulations pursuant to that Act.

Accordingly, your Committee has amended this measure by:

- (1) Establishing the Federal Higher Education Compliance and Educational Personnel Licensure and Certification Task Force;
- (2) Requiring the Task Force, rather than the Legislative Reference Bureau, to examine compliance and licensure issues related to the Higher Education Act of 1965, as amended;
- (3) Providing that the membership of the Task Force be determined by the P-20 Council after consultation with stakeholders such as the Department of Education, the Hawaii Association of Independent Schools, the Hawaii Teacher Standards Board, and private institutions of higher education; and
- (4) Requiring that the Legislative Reference Bureau provide research and administrative assistance to the Task Force, including assistance in drafting any proposed legislation that may be necessary to carry out the purposes of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1382, 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. 378 Commerce and Consumer Protection on S.B. No. 893**

The purpose and intent of this measure is to direct the Public Utilities Commission to establish and maintain a telephone-based information access service to provide access to periodical print media.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii, NFB-Newsline, National Federation of the Blind of Hawai'i, NFB of Honolulu, and six private individuals. Your Committee received comments on this measure from the Department of Human Services, the Disability and Communications Access Board, and the Public Utilities Commission.

Your Committee finds that timely access to periodical media is essential to enable blind and visually impaired persons to fully participate as literate and informed members of society. Your Committee notes that the National Federation for the Blind's Newsline service provides access to local and national daily newspapers, magazines, job listings, and government information. Your Committee further finds that Newsline listings of government information such as public hearings satisfy the accessibility requirements of the Americans with Disabilities Act for public information.

Your Committee also finds that after discussion on this measure with relevant government agencies and stakeholders, all parties are in agreement that the Division of Vocational Rehabilitation and Services for the Blind of the Department of Human Services, which currently administers Newsline services, is the appropriate agency to continue to oversee that program.

Your Committee has amended this measure by deleting its contents and replacing them with provisions to:

- (1) Add a new section to chapter 347, Hawaii Revised Statutes, to codify the administration of Newsline services by the Division of Vocational Rehabilitation and Services for the Blind; and

- (2) Appropriate funds to the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services, for expenditure pursuant to the authority granted by section 347-10, Hawaii Revised Statutes, known as “the Ho‘opono fund” to contract to provide Newline services in 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. 893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 893, 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 (Taniguchi, Slom).

**SCRep. 379 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1506**

The purpose of this measure is to:

- (1) Enable Hawaii’s health care providers and insurers to recognize childhood obesity as a formal diagnosis and a billable provider visit;
- (2) Appropriate funds to acquire and distribute obesity management instructional toolkits to the State’s pediatricians as recommended by the American Academy of Pediatrics Hawaii Chapter; and
- (3) To convene a working group under the Department of Health to assess the root causes of childhood obesity and explore the areas of nutrition and preventative care.

The intent of this measure is to combat childhood obesity throughout the State.

Your Committees received testimony in support of this measure from the Hawaii Chapter American Physical Therapy Association, Hawaii’s Primary Care Association, Hawaii’s Pacific Health, Papa Ola Lokahi, the American Heart Association, the Hawaii Dietetic Association, and six private citizens. Your Committees received testimony in opposition to this measure from the Hawaii Association of Health Plans. Your Committees received comments on this measure from one private citizen.

Your Committees find that the United States is addressing an obesity epidemic of historical proportions and more efforts are needed to combat this problem by addressing obesity at an early age. Testimony received on this measure indicates that although health plans provide a range of preventative services, more insurance coverage is needed to address childhood obesity. Your Committees also find that, by initially narrowing the coverage requirements for childhood obesity-related doctor visits, small group collaboration will be encouraged and such collaboration will allow the State to better gauge the potential effectiveness of a larger-scale insurance coverage mandate for the treatment of childhood obesity problems.

Your Committees have amended this measure by:

- (1) Establishing a Childhood Obesity Pilot Program rather than simply enabling Hawaii’s health care providers and insurers to recognize childhood obesity as a formal diagnosis and a billable provider visit;
- (2) Limiting the scope of the insurance coverage for childhood obesity-related doctor visits to health care providers participating in the Childhood Obesity Pilot Program; and
- (3) Appropriating funds for the administration of the Childhood Obesity Pilot Program.

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. 1506, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1506, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Galuteria, Shimabukuro, Solomon, Slom).

**SCRep. 380 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1452**

The purpose and intent of this measure is to require health insurers to provide coverage for specified types of smoking cessation methods in an effort to curtail the prevalence of smoking addiction and its related health problems.

Your Committees received testimony in support of this measure from the Lana’i Community Health Center, Hawaii’s Primary Care Association, ‘Ohana Health Plan, the American Heart Association, Coalition for a Tobacco-Free Hawaii’i, Castle Medical Center, Rising Up, Inc., and four private citizens. Your Committees received testimony in opposition to this measure from the Hawaii Association of Health Plans and Hawaii Medical Service Association. Your Committees received comments on this measure from the Department of Human Services, Kaiser Permanente, and the American Family Life Assurance Company of Columbus (AFLAC).

Your Committees find that the negative effects of tobacco use strain the State’s financial resources by directly contributing to the health problems of Hawaii’s residents. Requiring health insurers to provide coverage for smoking cessation methods will provide an additional step in battling the problems associated with smoking. Based on testimony received, your Committees find that the measure could be improved by including coverage for all tobacco use cessation methods. Furthermore, your Committees also find that by eliminating co-payments and including coverage for group counseling sessions, the measure could reach more of Hawaii’s residents who are struggling to reduce or cease tobacco use.

Your Committees have amended this measure by:

- (1) Expanding the coverage for tobacco use cessation;
- (2) Requiring coverage for group therapy and over-the-counter nicotine replacement products;

- (3) Requiring that coverage for tobacco use cessation methods be provided without co-payments or deductibles;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (5) 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 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. 1452, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1452, 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 (Galuteria, Shimabukuro, Solomon, Slom).

**SCRep. 381 (Joint) Health and Commerce and Consumer Protection on S.B. No. 40**

The purpose and intent of this measure is to reclassify pseudoephedrine as a schedule III drug that may only be dispensed with a prescription in order to further control access to the drug.

Your Committees received testimony in support of this measure from the Department of Public Safety. Your Committees received testimony in opposition to this measure from the Legislative Information Services of Hawaii, Hawaii Food Industry Association, and two private citizens. Your Committees received comments on this measure from one private citizen.

Your Committees heard testimony suggesting that classifying pseudoephedrine as a schedule III drug will increase the workload of an already stressed system of prescription providers and will impose a financial burden on Hawaii's citizens due to the added tracking requirements that would need to be implemented by pharmacies. Your Committees also heard and concur with testimony in favor of classifying pseudoephedrine as a schedule V drug rather than a schedule III drug and giving pharmacists the ability to dispense small amounts of the drug without a prescription while requiring pharmacists to track the drug's disbursement through the use of signature logs.

Your Committees have amended this measure accordingly by:

- (1) Reclassifying pseudoephedrine as a schedule V drug;
- (2) Requiring retailers of drugs containing pseudoephedrine to remove the product from their over-the-counter drug inventories no later than July 1, 2011;
- (3) Permitting pharmacists to dispense small amounts of pseudoephedrine under certain circumstances; and
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion.

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. 40, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 40, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Galuteria, Shimabukuro, Solomon, Slom).

**SCRep. 382 (Joint) Health and Human Services on S.B. No. 787**

The purpose and intent of this measure is to require rates for Medicaid reimbursements to acute care hospitals that treat waitlisted long-term care patients to be equal to rates for similarly related services and to appropriate funds for increased Medicaid reimbursements in order to fairly compensate these hospitals.

Your Committees received testimony in support of this measure from The Queen's Medical Center, Hawaii Disability Rights Center, Healthcare Association of Hawaii, Kaiser Permanente Hawaii, and Hawai'i Pacific Health. Your Committees received testimony in opposition to this measure from the Department of Human Services.

Your Committees find that it is essential to provide fair compensation to acute care hospitals for the services they provide to Medicaid patients who have been treated for acute illnesses and injuries and who have recovered sufficiently so that they may be transferred to long-term care, but for whom long-term care is not available.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) 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 Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 787, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 787, 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, Ihara, Wakai).

**SCRep. 383 (Joint) Health and Human Services on S.B. No. 925**

The purpose and intent of this measure is to:

- (1) Reinstate a hospital-based screening and assessment and intensive home visitation program under the Department of Health;

- (2) Appropriate funds from the Tobacco Settlement Special Fund; and
- (3) Utilize Temporary Assistance for Needy Families funds, in order to provide a healthy start to at-risk infants and children.

Your Committees received testimony in support of this measure from the Department of Health, Children & Family Service, and the Hawaii Family Support Institute. Your Committees received comments on this measure from the Department of Human Services, Good Beginnings Alliance, and the Coalition for a Tobacco-Free Hawai'i.

Your Committees find that the restoration of universal screening and home visitation services is a vital step in offering culturally responsive, evidence-based services to address different levels of family needs and risks. Based on testimony received on this measure, your Committees further find that revisions to the measure are necessary to allow for more flexibility in the operation of the program and to allow the Department of Health to be responsive to anticipated future federal funding for home visitation programs. Additionally, your Committees find that further consideration of this measure is necessary to determine whether alternative funding sources may be applied to this measure.

Your Committees have amended this measure by:

- (1) Deleting certain references to program models, measurements, and tools to identify at risk families; staffing roles; and the Healthy Families America Program to increase flexibility of the program;
- (2) Indicating that intensive home visiting services may include integrated model enhancements established through the federally funded Hawaii Evidence Based Home Visitation Project;
- (3) Making the guidelines for the provision of intensive home visiting services discretionary instead of mandatory; and
- (4) 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 Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 925, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 925, 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 (Slom). Noes, none. Excused, 3 (Baker, Ihara, Wakai).

**SCRep. 384 (Joint) Human Services and Health on S.B. No. 425**

The purpose of this measure is to establish a wellness pilot program within Medicaid.

Your Committees received testimony in support of this measure from Hawaii Medical Service Association and one individual. Your Committees received testimony in opposition to this measure from the Department of Human Services. Your Committees received comments on this measure from one individual.

Your Committees find that Hawaii must comply with federal health reform legislation requirements by 2014. The Affordable Care Act, Public Law 111-148, has provisions for Medicaid demonstration programs relating to payment reform that emphasize quality outcomes. Accordingly, your Committees are interested in creating evidence-based health and wellness alternatives that reduce the incidence of chronic disease and support Medicaid recipients and QUEST members in maintaining healthier lifestyles.

Your Committees also find that S.B. No. 126 establishes a Joint Legislative Task Force on Medicaid to examine issues relating to Medicaid shortfalls. Your Committees received testimony in support of the Task Force from several organizations. However, testifiers also expressed concern that the title of S.B. No. 126 may be too narrow to encompass the establishment of the Task Force. Your Committees find that the establishment of the Task Force may be more appropriately placed in this measure and note that it would be helpful to expand the Task Force's membership.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language from section 3 of S.B. No. 126, which establishes the Joint Legislative Task Force on Medicaid to examine issues related to Medicaid shortfalls;
- (2) Adding the following persons to serve on the Joint Legislative Task Force on Medicaid:
  - (A) The Director of Human Services, or the Director's designee;
  - (B) The Director of Health, or the Director's designee;
  - (C) The Director of Commerce and Consumer Affairs, or the Director's designee;
  - (D) A representative from Hawaii Medical Service Association;
  - (E) A representative from Kaiser Permanente;
  - (F) A representative from AlohaCare;
  - (G) A representative from 'Ohana Health Plan;
  - (H) A representative from Evercare;
  - (I) A representative from the Hawai'i Primary Care Association;
  - (J) A representative from the Healthcare Association of Hawaii;
  - (K) A representative from the Hawaii Medical Association;



- (L) A representative from Kalihi-Palama Health Center;
  - (M) A representative from Hawaii Medical Center;
  - (N) A representative from Mental Health America of Hawai'i;
  - (O) A representative from Avalon Health Care Group;
  - (P) A representative from the Hawaii Dialectic Association;
  - (Q) A representative from Faith Action for Community Equity Hawaii;
  - (R) A representative from PHOCUSED;
  - (S) A representative from YMCA of Honolulu; and
  - (T) A representative from AARP Hawaii;
- (3) Making conforming amendments to accurately reflect the purpose of the amended measure;
  - (4) Changing the effective date to upon approval; provided that the appropriation section is effective on July 1, 2011, to coincide with the beginning of the fiscal year; and
  - (5) 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 425, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 425, S.D. 2, 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, Ihara, Wakai).

**SCRep. 385 (Joint) Human Services and Health on S.B. No. 935**

The purpose and intent of this measure is to appropriate monies from the Emergency and Budget Reserve Fund to maintain funding levels of programs for public health, safety, welfare, and education.

Your Committees received testimony in support of this measure from the Judiciary; Department of Human Services; Department of Health; State Council on Developmental Disabilities; Early Learning Council; City and County of Honolulu Department of Community Services; Hawai'i Primary Care Association; The Sex Abuse Treatment Center; Planned Parenthood of Hawaii; Hawaii Waiver Providers Association; Hawaii Substance Abuse Coalition; Ku Aloha; The Salvation Army Addiction Treatment Services; Goodwill Industries of Hawaii, Inc.; Catholic Charities Hawai'i; Hawaii Youth Services Network; Susannah Wesley Community Center; Hawaii Association for the Education of Young Children; Good Beginnings Alliance; Read Aloud America, Inc.; Partners in Development Foundation; Tutu and Me Traveling Preschool; Hawaii Disability Rights Center; Special Education Center of Hawaii dba SECOH; Easter Seals Hawai'i; Parents and Children Together; The Children's Alliance of Hawaii, Inc.; Hawaii Family Law Clinic, dba Ala Kuola; Child & Family Service; Blueprint for Change; Hawaii State Coalition Against Domestic Violence; AARP Hawaii; Project Dana; National Multiple Sclerosis Society; International Longshore and Warehouse Union, Local 142; and twelve individuals. Your Committees received comments on this measure from Executive Office on Aging, Hawaii Medical Service Association, and one individual.

Your Committees find that the national and global economic crisis has caused significant economic problems in numerous industries in the State. Difficult economic times and declining tax revenues have resulted in budget cuts for all state services. The current fiscal situation is threatening Hawai'i's safety net of basic education, human services, and health to its most vulnerable citizens.

Your Committees also find that all of the programs included in this measure address vital needs of specific target groups or areas, including aging, child care, dental care, disability, domestic violence, and the uninsured. Each of these target groups and areas are equally important, uniquely defined as vulnerable, and deserving of priority status to be included in the State's budget.

Your Committees have amended this measure by:

- (1) Deleting section 17 of the measure, which would have provided funding to the Hawaii Medical Service Association for Keiki Care;
- (2) Amending the appropriation for the Hawaii Immigrant Health Initiative program to reflect Hawai'i Primary Care Association as the recipient of a grant for this program provided at federally qualified health centers;
- (3) Increasing the appropriation to support domestic violence shelters from \$762,500 to \$1,378,500, with the additional funds to be distributed for domestic violence shelters statewide;
- (4) Clarifying an entity's name by changing the reference from Hale Hoomalu to Molokai Community Service Council;
- (5) Deleting section 25 of the measure, which would have restored adult dental care formerly granted under QUEST health care payments;
- (6) Adding an appropriation in the amount of \$1,900,000 to Hawai'i Primary Care Association for adult dental care provided at federally qualified health centers;
- (7) Adding an appropriation in the amount of \$100,000 to Maui Community College, for the adult dental care program;

- (8) Amending the appropriation for outstationed eligibility worker services to reflect Hawai'i Primary Care Association as the recipient of a grant for these services provided at federally qualified health centers;
- (9) Amending the appropriation for outreach services to reflect the Hawai'i Primary Care Association as the recipient of a grant for these services provided at federally qualified health centers;
- (10) Amending the appropriation for outreach services to locate uninsured children to reflect the Hawai'i Primary Care Association as the recipient of a grant for these services provided at federally qualified health centers;
- (11) Adding an appropriation in the amount of \$150,000 to the Susannah Wesley Community Center for the Susannah Wesley Community Center Youth Service Center;
- (12) Adding an appropriation in the amount of \$37,500 to Planned Parenthood of Hawaii for statewide sexual health education;
- (13) Adding an appropriation in the amount of \$1,000,000 to the Partners in Development Foundation to provide comprehensive family training and transitional services to homeless families on the Leeward Coast of Oahu;
- (14) Adding an appropriation in the amount of \$3,200,000 for the Preschool Open Doors program;
- (15) Clarifying an entity's name by changing the reference from University of Hawaii Family Law Clinic to Hawaii Family Law Clinic;
- (16) Adding an appropriation in the amount of \$165,505 to the Hawaii Disability Rights Center to provide advocacy service to individuals with developmental disabilities and mental illness;
- (17) Adding an appropriation in the amount of \$1,560,000 to Read Aloud America, Inc. for the Read Aloud Program; and
- (18) 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 935, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 935, 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 (Slom). Noes, none. Excused, 3 (Baker, Ihara, Wakai).

**SCRep. 386 (Majority) Health on S.B. No. 1438**

The purpose and intent of this measure is to prohibit mutual benefit societies, health maintenance organizations, and dental service organizations from setting or recommending fees for dental services that are not covered services to prevent disincentives for the performance of dental services that are exempt from insurance coverage.

Your Committee received testimony in support of this measure from the Hawaii Dental Association and nine private citizens. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that health and dental insurance companies are including clauses in their contracts with participating dentists that state that non-covered services are subject to a fee schedule dictated by insurance companies. Your Committee further finds that these provisions result in price fixing and a restraint of trade that affects the entire dental profession in Hawaii. Your Committee notes that opting out of participation with a dental insurance company would be a heavy financial burden for many dentists.

Your Committee also finds that limitations on fees for non-covered services are harmful to consumers. Your Committee notes that if fees are set too low, a participating dentist may not offer certain services. A patient may then be forced to seek the services of a non-participating provider. Additionally, your Committee notes that unintended consequences may result when boiler plate provisions are included in contracts by insurance companies.

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. 1438 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, 1 (Baker). Excused, 2 (Shimabukuro, Wakai).

**SCRep. 387 Health on S.B. No. 1538**

The purpose and intent of this measure is to:

- (1) Direct the Department of Health and Hawaii State Civil Defense to report to the Legislature no later than sixty days prior to the convening of the Regular Session of 2012 on each agency's progress in implementing the recommendations of the Statewide Dialysis Emergency Plan; and
- (2) Appropriate an unspecified amount to the Department of Health to upgrade dialysis facilities and otherwise effectuate the recommendations of the Statewide Dialysis Emergency Plan.

Your Committee received testimony in support of this measure from the State of Hawaii, Department of Defense; the Department of Health; the City and County of Honolulu, Honolulu Emergency Services Department; the National Kidney Foundation; Liberty Dialysis Hawai'i; the Healthcare Association of Hawaii; and one individual.

Your Committee finds that patients who require dialysis treatment have special risks and needs during and after emergency events and natural disasters. Hawaii's geographic isolation and high number of people with kidney disease make the need for emergency planning in these situations critical.

Your Committee further finds that in 2010, a task force was established to create a Statewide Dialysis Emergency Plan. In developing the plan, the task force commissioned a study to identify risks and needs, and make recommendations for preparation for and response to power outages, hurricanes, earthquakes, water outages, or other large-scale emergencies. This measure will help the State be better prepared to care for those who require dialysis in the event of emergencies or natural disasters.

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. 1538 and recommends that 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 (Wakai).

**SCRep. 388 (Majority) Health on S.B. No. 1437**

The purpose and intent of this measure is to clarify the circumstances under which complaints submitted to state and county departments and agencies shall be made available to the public in order to preserve the public's interest in obtaining information while protecting the integrity of an ongoing investigation or proceeding.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS and forty private citizens. Your Committee received testimony in opposition to this measure from the Office of Information Practices, Office of the Lieutenant Governor; the Office of Consumer Protection, Department of Commerce and Consumer Affairs; the Regulated Industries Complaints Office, Department of Commerce and Consumer Affairs; and The League of Women Voters of Hawaii.

Your Committee finds that the disclosure of complaints filed with state and county agencies gives consumers access to important information that they may use to make informed decisions regarding service providers throughout the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1437 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Baker). Excused, 2 (Shimabukuro, Wakai).

**SCRep. 389 Health on S.B. No. 705**

The purpose and intent of this measure is to establish medical error reporting and disclosure requirements, create an advisory board charged with developing methodologies to enhance medical error reporting, and establish a Patient Safety Trust Fund.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association and one private citizen. Your Committee received testimony in opposition to this measure from the Department of Health; the Hawaii Medical Association; the Healthcare Association of Hawaii; and The Queen's Medical Center.

Your Committee finds that this measure is duplicative of existing law and accreditation standards, would inappropriately interject hospital staff into the physician-patient relationship, and would inhibit existing error prevention programs.

Your Committee further finds that many medical errors are not individual errors but systems errors and that in some instances there is a lack of clarity regarding orders given in a hospital setting.

Therefore, your Committee has amended this measure by deleting its contents and replacing them with new language that includes under the practice of Nursing as a Registered Nurse a requirement that Registered Nurses carry out the orders of licensed Physician Assistants practicing with physician supervision.

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. 705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 705, 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; Ayes with Reservations (Baker, Chun Oakland, Green, Nishihara, Shimabukuro). Noes, none. Excused, 1 (Wakai).

**SCRep. 390 (Majority) Health on S.B. No. 857**

The purpose and intent of this measure is to establish medical savings accounts to allow an employee to save money for eligible medical expenses and receive certain state tax benefits for funds deposited into the account.

Your Committee received testimony in support of this measure from the Hawaii Medical Association. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the State Insurance Commissioner and the Tax Foundation of Hawaii.

Your Committee finds that medical savings accounts may create incentives for personal responsibility and cost control on medical expenses. Your Committee notes the concerns raised by certain testifiers and encourages further discussion on this measure as it proceeds to your Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 857, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Baker). Excused, 1 (Wakai).

**SCRep. 391 Health on S.B. No. 224**

The purpose and intent of this measure is to create a statewide program to promote public and health professional education and awareness of lupus among public health and human services officials, physicians, nurses, and other health care providers in order to increase knowledge concerning the causes and consequences of lupus, the importance of early diagnosis and appropriate management, and effective treatment and management strategies.

Your Committee received testimony in support of this measure from the Hawaii Medical Association and three private citizens. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that over ten thousand people in Hawaii are affected by lupus, and lupus disproportionately affects certain minority populations, a health disparity that remains unexplained. Although recommendations have been made, no new drugs have been approved by the Food and Drug Administration specifically for lupus in fifty years. Your Committee further finds that the creation of a statewide program dedicated to increasing the State's knowledge of lupus will not only benefit those currently living with lupus but also the population at large by increasing awareness and early diagnoses. Your Committee heard testimony suggesting that the inclusion of organizations that are familiar with lupus would bring added value to the working group.

Accordingly, your Committee has amended this measure by adding Lupus Hawaii to the working group.

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. 224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 224, 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 (Wakai).

**SCRep. 392 Health on S.B. No. 592**

The purpose of this measure is to authorize the court in medical tort litigation to impose sanctions on a non-prevailing party whose rejection of the Medical Claim Conciliation Panel's decision resulted in the subsequent litigation and to amend the requirements for the certificate accompanying any claim filed with the Medical Claim Conciliation Panel. The intent of this measure is to reduce litigation and lower the cost of medical malpractice premiums.

Your Committee received testimony in support of this measure from The League of Women Voters of Hawaii, Kaiser Permanente, Hawaii Medical Association, the Hawaii Association of Health Plans, and seven private citizens.

Your Committee finds that the large number of medical tort litigation claims has a significant impact on the cost of medical malpractice insurance. Your Committee further finds that there is a need to limit the number of medical tort litigation claims that have no merit. Based on testimony received, your Committee finds that there are significant concerns that this measure may increase the number of cases that go to trial and that the Medical Claims Conciliation Panel should further assess the merits of this measure.

Accordingly, your Committee has amended this measure 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 592, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6; Ayes with Reservations (Baker, Chun Oakland, Nishihara, Shimabukuro). Noes, none. Excused, 1 (Wakai).

**SCRep. 393 Health on S.B. No. 414**

The purpose of this measure is to authorize the Hawaii Health Systems Corporation to mortgage its real property and clarify that the dollar cap on municipal leasing authority applies to each regional system. The intent of this measure is to advance the State's commitment to provide quality health care for the people of Hawaii by giving the Hawaii Health Systems Corporation the ability to fully utilize its real property assets for the benefit of the community.

Your Committee received testimony in support of this measure from Maui Memorial Medical Center; Hawaii Medical Association; Health Care for All Hawaii; and one private citizen.

Your Committee finds that the current prohibition on mortgages of Hawaii Health Systems Corporation's real property has hindered the ability of the Corporation from obtaining outside financing and refinancing loans with more favorable terms. Your Committee further finds that the dollar cap on the Corporation's authority to enter into municipal leases is ambiguous because it is not clear if the aggregate limit is on the entire Hawaii Health Systems Corporation as a whole, or on each individual region. This measure will alleviate the confusion and remove the hindrances associated with the Corporation's ability to obtain financing.

Your Committee has amended this measure by inserting an effective date of July 1, 2011, to allow for 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. 414, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 414, S.D. 2, 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 (Wakai).

**SCRep. 394 Water, Land, and Housing on S.B. No. 1240**

The purpose and intent of this measure is to:

- (1) Establish a program for granting no-interest loans in lieu of certain state low-income housing tax credits to developers of affordable rental housing who qualify for those tax credits; and
- (2) Authorize the issuance of general obligation bonds to fund the no-interest loans.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; the Department of Community Services of the City and County of Honolulu; Hawai'i Association of REALTORS; Land Use Research Foundation of Hawaii; the Roman Catholic Church in the State of Hawaii; and Catholic Charities Hawai'i. Your Committee received comments on this measure from the Department of Taxation and the Department of Budget and Finance.

Your Committee finds that the State has a great need for affordable rental housing, as evidenced by the Hawaii Housing Policy Study, 2006 update, which projected a need of approximately 17,400 affordable rental housing units by 2015. The State Low-Income Housing Tax Credit Program, established pursuant to section 235-110.8, Hawaii Revised Statutes, can be a valuable financing tool to promote the development or substantial rehabilitation of affordable rental housing. Your Committee further finds that there is little demand for state low-income housing tax credits, thereby stalling the development and rehabilitation of affordable rental housing projects due to lack of project equity. Under these circumstances, the State Low-Income Housing Tax Credit Program is not able to create or preserve low-income rental housing as intended.

Your Committee also finds that the issuance of general obligation bonds to fund no-interest loans to developers will provide an efficient financing tool. Additionally, forgiveness of the loan after thirty years as an affordable rental housing project will provide a great incentive for the development and substantial rehabilitation of low-income rental housing.

Your Committee has amended this measure by:

- (1) Replacing language in section 1 with language from section 1 of S.B. No. 695, S.D. 1, which is substantively the same as this measure and has already been reported by your Committee to the Committee on Ways and Means; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency, including amendments to conform this measure to S.B. No. 695, S.D. 1.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1240, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Shimabukuro, Slom).

**SCRep. 395 Water, Land, and Housing on S.B. No. 1559**

The purpose and intent of this measure is to:

- (1) Grant priority processing of a private entity's building permit application for a construction project for structures associated with Important Agricultural Lands;
- (2) Exempt from county permit conditions unattached structures associated with Important Agricultural Lands that do not have plumbing, heating, or electrical systems;
- (3) Require county general plans to accommodate the designation of Important Agricultural Lands;
- (4) Exempt structures associated with Important Agricultural Lands for determining and assessing the taxable value of real property;
- (5) Establish preferential rates for the purchase of energy that is used or consumed for agricultural activities on Important Agricultural Lands;
- (6) Authorize insurers to provide preferential rates to owners or lessees of Important Agricultural Lands;
- (7) Designate all Important Agricultural Lands as an enterprise zone;
- (8) Grant tax credits and exemptions to qualified persons who engage in qualified agricultural activities in an enterprise zone;
- (9) Require the Department of Land and Natural Resources to certify annually the applicability of certain tax credits and exemptions in an enterprise zone;
- (10) Reduce county infrastructure requirements for installation of improvements on Important Agricultural Lands;
- (11) Require the Department of Agriculture to review county permit processes relating to Important Agricultural Lands; and
- (12) Divert monies from the Agricultural Development and Food Security Special Fund to the Dam and Reservoir Safety Special Fund.

Your Committee received testimony in support of this measure from the Land Use Research Foundation of Hawaii; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; and Alexander and Baldwin, Inc. Your Committee received testimony in

opposition to this measure from the Department of Planning and Permitting of the City and County of Honolulu and the Sierra Club, Hawai'i Chapter. Your Committee received comments on this measure from the Department of Land and Natural Resources and the Department of Agriculture.

Your Committee finds that Act 183, Session Laws of Hawaii 2005, created the standards, criteria, and processes for identifying Important Agricultural Lands. This measure continues to address the question of Important Agricultural Lands and to support agriculture in the State.

After considering the testimony presented, your Committee has concerns regarding the Department of Land and Natural Resources' ability to accurately certify tax credits and business exemptions. Your Committee has additional concerns regarding the appropriation and funding to restore dams located within Important Agricultural Lands through diverting monies from the Agricultural Development and Food Security Fund.

Your Committee has adopted language that amends this measure by:

- (1) Deleting language that required the Department of Land and Natural Resources to annually certify to the Department of Taxation the applicability of tax credits and exemptions within an enterprise zone;
- (2) Adding language to require the Department of Business, Economic Development, and Tourism to annually certify to the Department of Taxation the applicability of tax credits and exemptions within an enterprise zone;
- (3) Deleting part VIII regarding the appropriation and funding to restore dams located within Important Agricultural Lands through diverting monies from the Agricultural Development and Food Security Special Fund to the Dam and Reservoir Safety Special Fund; 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 Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1559, 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, Shimabukuro, Slom).

**SCRep. 396 Water, Land, and Housing on S.B. No. 1311**

The purpose and intent of this measure is to:

- (1) Authorize the Department of Land and Natural Resources to collect fees to cover the technical assistance program costs associated with developing, reviewing, and monitoring habitat conservation plans; and
- (2) Require the Department of Land and Natural Resources to adopt rules for establishing the fees.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Earthjustice.

Your Committee finds that Hawaii has over three hundred eighty threatened or endangered species. The Department of Land and Natural Resources is responsible for issuing incidental take licenses and evaluating, processing, and approving habitat conservation plans to help protect threatened and endangered species. Often times, landowners request assistance from the Department in developing these plans. This process is very technical in nature and labor intensive. This measure will allow the Department of Land and Natural Resources to collect fees to cover the program costs associated with helping landowners in the development, review, and monitoring of habitat conservation plans.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1311, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Shimabukuro, Slom).

**SCRep. 397 Water, Land, and Housing on S.B. No. 1443**

The purpose and intent of this measure is to:

- (1) Require the Departments of Agriculture and Land and Natural Resources to identify and map certain public lands to be considered for transfer from the Department of Land and Natural Resources to the Department of Agriculture;
- (2) Establish a time table for the transfer of those parcels that have been identified and mapped;
- (3) Require the Department of Agriculture to identify, of those transferred public lands, which lands should be considered for designation by the Land Use Commission as Important Agricultural Lands;
- (4) Clarify that public lands that are transferred from the Department of Land and Natural Resources to the Department of Agriculture are subject to the standards established in chapter 205, Hawaii Revised Statutes, for identifying and designating Important Agricultural Lands; and

- (5) Require the Board of Agriculture to determine which incentives or uses for Important Agricultural Lands are to be made available to leases managed under the Board's Agricultural Parks and Non-Agricultural Park Lands programs.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and the Department of Agriculture. Your Committee received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Hawaii Farm Bureau Federation.

Your Committee finds that the purpose, rules, and management of public lands under the Board of Agriculture's Agricultural Parks and Non-Agricultural Park Lands programs are unmatched in their support of agricultural production and, unlike the privately owned lands under the Important Agricultural Lands legislation, are not subject to reclassification, subdivision, lack of monitoring, or special permitted uses. Your Committee further finds that the public land management programs of the Department of Agriculture closely emulate, and even surpass, the Important Agricultural Lands legislation in their support for agricultural production in Hawaii. Your Committee also finds that this measure protects the integrity of these vital programs and assures maximum support for agriculture in our State.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1443, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1443, S.D. 1, and be referred to the Committee on Agriculture.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 398 (Joint) Water, Land, and Housing and Energy and Environment on S.B. No. 689**

The purpose and intent of this measure is to:

- (1) Establish a pilot project within the Department of Land and Natural Resources to demonstrate the effectiveness of marine phytoremediation using plants that are native to Hawaii to remove pollutants and improve water clarity in Lake Wilson;
- (2) Require the Department of Land and Natural Resources to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012, on the viability, safety, and effectiveness of the technology on a demonstration scale in the Lake Wilson environment and recommendations, including the costs associated with the recommendations, for continuation or expansion of the project; and
- (3) Appropriate an unspecified sum to the Department of Land and Natural Resources for the 2011-2012 fiscal year to conduct the pilot project.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and one individual. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that Lake Wilson, Hawaii's largest reservoir, has the potential to provide water needed for the North Shore of Oahu's agricultural expansion but that the condition and quality of the water today limits the amount of crops produced. This measure proposes an innovative way to remove pollutants and improve water clarity in Lake Wilson.

Your Committees note the concerns raised by the Department of Land and Natural Resources regarding the Department's lack of capacity and expertise to conduct the pilot project.

Your Committees have amended this measure accordingly, by:

- (1) Requiring the Department of Land and Natural Services to procure the phytoremediation services for the pilot project pursuant to chapter 103D, Hawaii Revised Statutes;
- (2) Extending the Department's reporting deadline to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013, rather than 2012; and
- (3) Extending the appropriation for the pilot project through the second year of the 2011-2013 fiscal biennium.

As affirmed by the records of votes of the members of your Committees on Water, Land, 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. 689, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 689, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 399 (Joint) Water, Land, and Housing and Agriculture on S.B. No. 687**

The purpose and intent of this measure is to:

- (1) Direct the Department of Land and Natural Resources to issue leases for certain public lands without going first to public auction;
- (2) Establish lessee selection criteria and lease requirements for the Department of Land and Natural Resources to use and apply in leasing certain public lands to qualified farmers; and
- (3) Require the Agribusiness Development Corporation to assist qualified farmers who lease public land for agricultural activities with marketing, technical, or business needs.

Your Committees received testimony in opposition to this measure from the Agribusiness Development Corporation. Your Committees received comments on this measure from the Department of Agriculture and the Department of Land and Natural Resources.

Your Committees find that certain lands within the public lands inventory under the jurisdiction of the Department of Land and Natural Resources are suitable for agricultural uses. This measure permits the Department to lease these lands for agricultural purposes, subject to certain lessee criteria, ensuring the short-term productive use of these public lands, and provides for the transfer of these lands to and management by the Department of Agriculture, ensuring their long-term productive use for agricultural purposes.

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 Water, Land, and Housing and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 687, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 687, 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, Fukunaga, Kouchi, Ryan, Slom).

**SCRep. 400 (Joint) Water, Land, and Housing and Agriculture on S.B. No. 736**

The purpose and intent of this measure is to:

- (1) Create a temporary Advisory Task Force on the Preservation of Important Agricultural Lands; and
- (2) Direct the Task Force to study and report to the Legislature on various issues relating to Important Agricultural Lands.

Your Committees received testimony in support of this measure from Alexander and Baldwin, Inc.; Poamoho Organic Produce; and Windward Ahupua'a Alliance. Your Committees received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism. Your Committees received comments on this measure from the Department of Agriculture and Hawaii Farm Bureau Federation.

Your Committees finds that although article XI, section 3 of the Hawaii State Constitution requires the State to conserve and protect Important Agricultural Lands and increase agricultural self-sufficiency, land used for crops cultivated for biofuel production may be competing with Important Agricultural Lands used for consumable crops. Your Committees further find that this potential use conflict merits expert study and recommendations to guide future policy-making that would promote and protect Important Agricultural Lands for food production.

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 Water, Land, and Housing and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 736, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 736, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Fukunaga, Kouchi, Slom).

**SCRep. 401 (Joint) Water, Land, and Housing and Agriculture on S.B. No. 1180**

The purpose and intent of this measure is to authorize certain development rights to be conveyed from owners of land in agricultural districts to certain owners of land in urban districts.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation and Alexander & Baldwin, Inc. Your Committees received testimony in opposition to this measure from the Office of Planning and the City and County of Honolulu. Your Committees received comments on this measure from the Department of Agriculture, The Chamber of Commerce of Hawaii, and the Building Industry Association of Hawaii.

Your Committees find that the transfer of development rights is a tool that can extinguish the development potential of agricultural land, resulting in a permanent conservation of agricultural land, by transferring development rights to a party who then takes the rights to an area that allows more intensive development. The agricultural lands remain under the same owner, and the prohibition on developing the affected agricultural land runs with the land.

Your Committees also find that the transfer of development rights provides a valuable market mechanism by which the public interest in maintaining agricultural viability and rural character can be balanced with landowner interest in realizing equity in their lands.

Your Committees have heard the concerns that the proposal lacks provisions for infrastructure capacity criteria when determining receiving areas. Your Committees note that if the counties lack discretion over the transfers, then there may be a negative and unintended impact on county infrastructure planning.

Your Committees have also heard the concerns regarding the valuation of transfer of development rights credits to density. Your Committees note that other forms of credit valuation may need to be considered. Your Committees believe these concerns merit further discussion by the Committee on Judiciary and Labor.

Accordingly, your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and



- (2) 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 Water, Land, and Housing and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1180, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1180, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Fukunaga, Kouchi, Ryan, Slom).

**SCRep. 402 Water, Land, and Housing on S.B. No. 2**

The purpose and intent of this measure is to:

- (1) Require the Department of Land and Natural Resources to initiate and coordinate all efforts to establish a public land trust information system, and to complete an operational public land trust information system by December 31, 2012;
- (2) Require the Department of Land and Natural Resources to identify all of the lands that are to be included in the public land trust inventory, determine whether certain information about each parcel of land would be useful, and investigate the most appropriate means of establishing and maintaining the public land trust information system;
- (3) Require the Department of Land and Natural Resources to estimate costs associated with the public land trust information system and identify sources of information that can be used with the public land trust information system; and
- (4) Require all state and county agencies to assist the Department of Land and Natural Resources in establishing the public land trust information system.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that a complete, accurate inventory of public lands is critical. The Legislature has a constitutional obligation to clarify the amount of revenues derived from the public land trust that should be annually transferred to the Office of Hawaiian Affairs. The State has a fiduciary obligation to native Hawaiian beneficiaries of the public land trust. Your Committee finds that this measure is necessary to address those fiduciary and constitutional obligations.

Your Committee understands the concerns of the Department of Land and Natural Resources. At the public hearing on this measure, the Department of Land and Natural Resources shared those concerns. The Department indicated that it could not meet the statutory mandate in the measure that calls for three separate, overlapping inventories of public lands. The Department did indicate, however, that the inventory could be completed if it focused on lands to which state agencies held title and that a mandatory reporting requirement for state agencies holding title to public lands, ceded lands, or both, and a parallel tracking system could achieve the desired results.

As a result of this testimony, your Committee has amended this measure by:

- (1) Requiring that the information system consist of a complete and accurate inventory of all lands in the public land trust to which state agencies hold title or over which they maintain management control, instead of overlapping inventories as provided in the original measure;
- (2) Requiring all state agencies to report to the Department of Land and Natural Resources each parcel of land that is within the public land trust, or is ceded lands, or is both, to which it holds title; the disposition of any parcels of land into or out of the reporting agency's public land trust lands; and any inaccurate information in its reports regarding the title to or disposition of public land trust lands;
- (3) Appropriating \$300,000 to the Department for the establishment and maintenance of the statewide public land trust inventory database and related staffing needs; 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 Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 403 Water, Land, and Housing on S.B. No. 1241**

The purpose and intent of this measure is to repeal the conveyance tax exemption for the sale or transfer of land for low-income housing projects that have been certified by the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Catholic Charities Hawai'i. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that the conveyance tax has not been a significant barrier to affordable housing development because the conveyance tax is paid by the seller and not the purchaser who will be developing the low-income housing project. Exemption from the conveyance tax for low-income housing projects has not helped to increase the inventory of affordable housing and should be repealed. Your Committee further finds that based on the testimony from the Department of Taxation, the impact of this measure on the General Fund will be minimal.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1241 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Shimabukuro, Slom).

**SCRep. 404 Education on S.B. No. 1332**

The purpose and intent of this measure is to amend chapter 37, Hawaii Revised Statutes, to allow the University of Hawai'i System to carryover up to five percent of appropriated General Funds into the next fiscal year.

Your Committee amended this measure by deleting its contents and replacing it with language to:

- (1) Extend the provisions of Act 82, Session Laws of Hawaii 2010, which exempts the University of Hawaii from chapter 103D, Hawaii Revised Statutes, with certain exceptions, until July 1, 2015; and
- (2) Make technical, nonsubstantive amendments for the purposes of clarity and consistency to sections 103D-102 and 304A-105, Hawaii Revised Statutes.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review.

Your Committee received testimony in support of this proposed measure from the Honorable Neil Abercrombie, Governor; the University of Hawai'i System; the General Contractors Association of Hawaii; Countertops Etc., Inc.; Ono Construction, LLC; Island Pacific Distributors, Inc.; Architectural Glass & Aluminum; Electricians, Inc.; W E Painting, Inc.; Dorvin D. Leis Co., Inc.; Group Builders, Inc.; King & Neel, Inc.; Kobayashi Group LLC; A-1 A-lectrician; Koga Engineering & Construction, Inc.; The Pacific Resource Partnership; S & M Sakamoto, Inc.; Lindemann Construction Inc.; PVT Land Company Limited; Royal Contracting Co., Ltd.; Shimokawa Nakamura, Inc.; Albert C. Kobayashi, Inc.; and three individuals. Your Committee received testimony in opposition to this measure from the State Procurement Office and the Subcontractors Association of Hawaii.

Your Committee finds that Act 82, Session Laws of Hawaii 2010, was enacted to afford the University of Hawai'i flexibility to pilot revisions to its procurement procedures in order to accelerate the acquisition of goods, services, and construction while obtaining best value and maintaining transparency and fairness in the procurement process. Your Committee further finds that because new construction projects often take longer than the two year window afforded by Act 82, an extension of Act 82 will provide the University of Hawai'i with a more reasonable amount of time to examine performance indicators and determine the effectiveness of its procurement process.

Your Committee has heard the concerns raised by certain testifiers about continuing these exemptions and finds that there is some agreement to require more specific reporting by the University of Hawai'i.

Your Committee has further amended this proposed measure by:

- (1) Amending section 4 of Act 82, Session Laws of Hawaii 2010, to require the University of Hawai'i to submit additional annual reports no later than twenty days prior to the convening of the Regular Sessions of 2013, 2014, and 2015;
- (2) Requiring the annual reports to the Legislature to contain additional information such as:
  - (A) A description and status of projects procured during the period of time that the University of Hawai'i is exempt from chapter 103D, Hawaii Revised Statutes;
  - (B) Recommendations for best practices for procurement; and
  - (C) Any proposed legislation or recommendations to amend chapter 103D, Hawaii Revised Statutes; and
- (3) Requiring that the University of Hawai'i include in its 2013 report to the Legislature information on compliance with section 304A-2690, Hawaii Revised Statutes, and identification of any formal or informal complaints the University has received from subcontractors in regard to section 304A-2690, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1332, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Taniguchi). Noes, none. Excused, none.

**SCRep. 405 Human Services on S.B. No. 285**

The purpose of this measure is to improve access to the full range of health care services to Medicaid and QUEST members accessing services through a mobile medical van on the Island of Hawaii. The intent of this measure is to ensure that Medicaid and QUEST health plans have the flexibility to provide appropriate health services via technological means such as telehealth.

Your Committee received testimony in support of this measure from Hawaii Medical Service Association, Kona Community Hospital, and American Cancer Society Hawai'i Pacific, Inc. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that access to appropriate health care, especially in rural areas of Hawaii, can be challenging. The Island of Hawaii represents over sixty-five percent of all the land mass in the State of Hawaii, making it the largest geographic region of the State. The Island of Hawaii also has the lowest population density in the State. Your Committee recognizes the Island of Hawaii's unique demographics; this makes a mobile medical van an extremely beneficial service.

Your Committee also finds that allowing QUEST and Medicaid members to access services through the mobile medical van will assist in improving the health of those with chronic conditions as well as improving the overall health of area residents.

Your Committee further finds that the Legislature appropriated \$350,000 in 2009 for the purchase of a mobile medical van for medical services on the Island of Hawaii. Kona Community Hospital is in the process of procuring the medical van. The Hospital has been working with Hawaii Medical Service Association, who has committed to help finance two years of operational costs.

Your Committee has heard the concerns regarding the use of federal funding for services provided by a contracted health plan. Your Committee notes that any service not approved by the federal Centers for Medicare and Medicaid Services will not be eligible for federal funding. Your Committee believes this issue merits further discussion by your Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Permitting the Department of Human Services to allow the use of a mobile health van equipped with telehealth services;
- (2) Clarifying that the mobile medical van program operated by Kona Community Hospital shall be funded through a partnership with a non-profit mutual benefit society operating in the State; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 285, 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 (Slom).

**SCRep. 406      Judiciary and Labor on S.B. No. 1088**

The purpose and intent of this measure is to authorize an individual who voluntarily or involuntarily separates from part-time employment with a secondary employer to continue to be eligible to receive unemployment insurance benefits if that individual is:

- (1) Attached to a regular employer that is not offering work to the individual;
- (2) Receiving partial unemployment benefits; and
- (3) Exempt from work search and registration for work requirements.

Your Committee received testimony in support of this measure from ILWU Local 142. Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations and The Chamber of Commerce of Hawaii.

Your Committee finds that the intent of this measure is to resolve an inequity in the current unemployment insurance law by prohibiting the disqualification of a claimant for partial unemployment benefits based on the claimant's separation from a secondary job. Your Committee believes that the unemployment insurance laws should not penalize an individual for voluntarily seeking employment to supplement the individual's unemployment insurance benefits.

Your Committee notes that a substantively similar measure, S.B. No. 2324, S.D. 2, H.D. 2, C.D. 1 (2010), was passed by the Legislature in 2010 but was subsequently vetoed by the Governor. Your Committee still sees the merits in resolving this issue.

Your Committee also notes that, pursuant to Act 170, Session Laws of Hawaii 2009, the Legislature temporarily codified the implementation of a partial unemployment program in 2009, to allow employers to retain their full-time workers by reducing workers' hours, while allowing the employees to collect unemployment benefits and maintain certain benefits for up to four weeks of partial unemployment. These provisions were set to be repealed on July 1, 2012. Your Committee believes that this program continues to be beneficial to both employers and employees, with certain amendments for clarity and consistency with other unemployment insurance procedural requirements.

Your Committee has amended this measure by:

- (1) Amending the definition of "attached to a regular employer" to change the eight-week return-to-work period to one in which the employee's return to work is reasonably imminent;
- (2) Deleting the bifurcated claim process for partial unemployment to one in which there is an initial claim and continued claim certifications;
- (3) Clarifying partial unemployment registration for work and work search requirement waivers;
- (4) Deleting the repeal date for the partial unemployment provisions of Act 170; and
- (5) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1088, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1088, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 407 (Majority) Judiciary and Labor on S.B. No. 1261**

The purpose and intent of this measure is to provide employer contributions amounts for plan year 2010-2011 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for the employees of collective bargaining units (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), and (13) and their excluded counterparts.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; the Hawaii State Teachers Association; and the Hawaii Government Employees Association.

Your Committee finds that premiums for the state employee health benefit plans have increased since July 2009, and state employees have absorbed the costs of all of these increases. This increase in employer contributions coincides with the next premium increase to begin in March 2011.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1261, 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 (Ihara).

**SCRep. 408 (Majority) Judiciary and Labor on S.B. No. 1405**

The purpose and intent of this measure is to require employers to provide scheduled meal breaks or rest periods for employees who work more than five consecutive hours.

Your Committee received comments on this measure from the Department of Labor and Industrial Relations; the Hawaii Transportation Association; and ILWU Local 142. Your Committee received testimony in opposition to this measure from The Chamber of Commerce of Hawaii; The Hawaii Business League; Retail Merchants of Hawaii; Ito En (North America) Inc.; and one individual.

Your Committee finds that the intent of this measure is to ensure that employers who employ fifty or more employees allow employees who work a full day or an eight-hour shift to have an adequate period of time to rest and consume a meal. However, your Committee recognizes the comments raised in testimony by the Hawaii Transportation Association that some employees, such as drivers of commercial vehicles, may not be able to take a rest or meal period for thirty consecutive minutes for logistical reasons. While your Committee has addressed the specific concern regarding commercial drivers by providing an exemption to the rest period requirement, subsequent committees may wish to consider whether other exemptions are appropriate to address concerns raised by The Chamber of Commerce of Hawaii in its testimony.

Your Committee has amended this measure by:

- (1) Authorizing an exemption for the employers of commercial drivers;
- (2) Inserting an effective date of July 1, 2050, to facilitate further discussion of this measure and any other potential exemptions; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1405, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1405, 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 (Gabbard).

**SCRep. 409 (Joint) Energy and Environment and Water, Land, and Housing on S.B. No. 1310**

The purpose and intent of this measure is to remove the sunset date on the use of safe harbor agreements, habitat conservation plans, and incidental take licenses as recovery options for conserving and protecting the State's threatened and endangered species.

Your Committees received testimony in support of this measure from William J. Aila, Jr., Department of Land and Natural Resources.

Your Committees find that Hawaii needs flexibility within its state law to work with federal counterparts, private landowners, and other partners to deal with the complexities of the endangered species situation in Hawaii and find workable solutions to protect our endangered and threatened species while allowing for acceptable resource use activities. Your Committees further find that habitat conservation plans and safe harbor agreements have proven and continue to prove to be valuable in the process of recovering the State's endangered species and that the provisions regarding habitat conservation plans and safe harbor agreements originally included in section 13 of Act 380, Session Laws of Hawaii 1997, should be made permanent.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1310 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 410 (Joint/Majority) Energy and Environment and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 80**

The purpose and intent of this measure is to extend the existence of the Climate Change Task Force until June 30, 2013, and to appropriate funds for its operations.

Your Committees received testimony in support of this measure from William J. Aila, Jr., Department of Land and Natural Resources; The Nature Conservancy of Hawai'i; Shannon Wood, Windward Ahupua'a Alliance; Robert Harris, Sierra Club, Hawai'i Chapter; and Marti Townsend, KAHEA: The Hawaiian-Environmental Alliance. Your Committees received comments on this measure from Mary Lou Kobayashi, Office of Planning, Department of Business, Economic Development, and Tourism; Loretta J. Fuddy, Department of Health; and James Coon.

Your Committees find that Hawaii is especially vulnerable to the impacts of a changing climate and that increased temperatures and rising sea levels can threaten the State's ecosystems, infrastructure, and economy. In order to assess the potential impacts and explore strategies for mitigating and adapting to these impacts, your Committees find that representatives from government agencies, academic institutions, and environmental organizations should come together to share their knowledge and expertise while developing solutions. Your Committees further find that the Climate Change Task Force was created by Act 20, Special Session Laws of Hawaii 2009, but that the funds appropriated for that Task Force were never released; thus, the Task Force never convened, and its important work was never performed. Pursuant to Act 20, the Task Force will expire as of June 30, 2011. This measure will reestablish the Task Force for another two years so that its work may be done.

Your Committees have amended this measure by:

- (1) Adding a new section appropriating any portion of funds allocated to the Task Force from Environmental Response, Energy, and Food Security Tax revenues specified under section 243-3.5, Hawaii Revised Statutes;
- (2) Adding ground and surface water resources to the list of subjects that the Task Force is directed to scope as current and potential impacts of climate change; and
- (3) Changing the effective date to July 1, 2011; provided that section 1 of this measure shall take effect on June, 29, 2011.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 80, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 80, S.D. 1, and be referred to the Committees on Tourism and Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11; Ayes with Reservations (English, Green). Noes, 1 (Slom). Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 411 (Joint/Majority) Economic Development and Technology and Tourism on S.B. No. 1550**

The purpose and intent of this measure is to encourage the growth of the film industry by providing enhanced incentives that attract more film and television productions to Hawaii, thereby generating increased tax revenues, by:

- (1) Amending the motion picture, digital media, and film production tax credit to increase the amounts of the tax credits and to provide additional non-refundable tax credits for qualified media infrastructure projects in certain qualifying counties;
- (2) Providing an additional tax credit for qualified special or visual effects and animation production costs;
- (3) Raising the tax credit caps; and
- (4) Authorizing certain exemptions from the transient accommodations tax for stays exceeding thirty days.

Your Committees received testimony in support of this measure from the Office of the Mayor, County of Maui; Relativity Media, LLC; RelativityREAL; Shangri-La Industries and Shangri-La Entertainment; UTICA Films; Akamai Movies; Hawaii Laborers-Employers Cooperation and Education Trust; Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Laborers' Union; Plumbers and Fitters Union, Local 675; IATSE Local 665; IATSE Local 161; On Location Services; Black Rhino Enterprises; and nine individuals. Your Committees received comments on this measure from the Department of the Attorney General; Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committees find that numerous proposals have been made over the past five years to build upon the foundation established by Hawaii's film and media production credits (Act 88, Session Laws of Hawaii 2006), but none have combined the range of components found in this measure—e.g., expansion of existing production credits, the addition of media infrastructure or facilities credits, and workforce training credits. States like New Mexico under Governor Bill Richardson, or Michigan under Governor Jennifer Granholm, have successfully pursued film and digital media industry development by taking a strong leadership role with film and media industry partners, labor constituencies, education and training stakeholders, and affiliated sectors like tourism, construction, and land use development.

For example, New Mexico's film and media industry grew from roughly \$1,500,000 of production expenditures in 2001 to over \$476,000,000 in expenditures in 2007. Its growth resulted from a strategic combination of refundable film and media production credits, a loan program, and the opening of privately-financed Albuquerque Studios (which then caused special effects companies and a media school to locate in the same area). In Michigan, refundable forty-two percent production credits, infrastructure tax credits, and workforce training credits led to rapid build-out of two new production facilities (Raleigh Michigan Studios in Pontiac, and Maxsar Digital Studios in Livonia) and production growth from five feature films a year in 2008 to eighty-nine movie or television productions in 2010.

Your Committees further find that while the initial structuring of production, facilities and infrastructure, and workforce credits may have raised eyebrows, it is undisputed that a combination of production activity, high-quality production facilities, and a skilled workforce are essential to Hawaii's development of an indigenous film and digital media industry.

Your Committees find that in 2010, an estimated \$416,000,000 in production expenditures were generated in film and television; \$395,000,000 through the provisions of section 235-17, Hawaii Revised Statutes, and \$21,000,000 in related production activity. This, in turn, provided over \$683,000,000 in an estimated positive economic impact for Hawaii. Your Committees further find that this tax credit remains crucial to Hawaii's competitive advantage in the global entertainment industry and many of the key elements in this measure would assist the State in continuing to maintain this advantage.

Your Committees agree that the interest and commitment of many of the national and international companies that testified on this measure, as well as Hawaii's local production community, are helping to define the State as a vibrant hub of creative industry development. Coupled with the creative talent of Hawaii's visual storytellers and educational programs in creative media, the State has an unprecedented opportunity to build a sustainable sector through a broad spectrum of strategic partnerships for scalable industry growth. Your Committees further find that the ideas and programs proposed in this and other related measures could provide an important flash point for establishing Hawaii as a major production center, and enhance support for digital media education, expanded training programs, and facilities development.

Your Committees have also heard concerns regarding the fiscal impact of the expanded tax credits in this measure, the need for greater safeguards by the State, and accountability when considering who might benefit from the proposed tax credits.

Your Committees have discussed these concerns with the interested stakeholders and urge the Department of Business, Economic Development, and Tourism; Department of Taxation; University of Hawai'i Academy of Creative Media; and private sector businesses and organizations to continue dialogue on this measure. In addition to the financial impacts, your Committees believe further discussion should include the provision of royalties to the State and comments made by the Tax Foundation of Hawaii.

Your Committees have also reviewed the concerns by the Department of the Attorney General and have amended this measure to address those concerns.

Your Committees are strongly supportive of the intent of this and related measures—to expand Hawaii's economic base—and encourage continuing collaboration between lawmakers, the administration, and industry leaders to advance these concepts.

Your Committees have amended this measure by:

- (1) Replacing all tax credit percentages, dollar amounts, and caps with blank percentages and dollar amounts;
- (2) Deleting a requirement that no tax credit shall be allowed for infrastructure projects after July 1, 2011, unless thirty percent of the total base investment has been expended prior to that date;
- (3) Reinstating a provision requiring evidence of financial or in-kind contributions or educational or workforce development efforts to claim the tax credit in section 235-17(a), Hawaii Revised Statutes;
- (4) Deleting the exemption from the transient accommodations tax;
- (5) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (6) 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 Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1550, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1550, 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 (Solomon). Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 412 (Joint) Economic Development and Technology and Energy and Environment on S.B. No. 1164**

The purpose of this measure is to amend the definition of "eligible business activity" within the state Enterprise Zones Program to include the production of certain electric power from solar energy. The intent of this measure is to support Hawaii's efforts to increase the use of renewable energy.

Your Committees received testimony in support of this measure from Hawaiian Electric Company, Inc.; Sopogy, Inc.; and Blue Planet Foundation. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committees find that this measure would support the State's efforts to develop a renewable energy sector by providing incentives for Hawaii-based renewable energy companies to develop and expand their facilities. Your Committees are in agreement with testifiers who recommended that the existing enterprise zones be open to all renewable energy development, as land availability and incentives for renewable energy development continue to be issues of concern.

Your Committees have sought the assistance of the Departments of Taxation and Business, Economic Development, and Tourism to obtain their estimates of economic growth measures, as well as revenue loss projections for use of enterprise zone tax incentives. At this early juncture, the Department of Business, Economic Development, and Tourism's projections include the following growth measures: for each \$1,000,000 of a renewable energy company's expenditures, approximately 6.9 direct renewable energy jobs are supported (with average annual salaries of \$74,692), \$515,375 in total direct income is generated, \$108,691 in state tax revenues are generated—which includes all direct, indirect, and induced taxes.

As such, from the Department of Business, Economic Development, and Tourism's perspective, the growth level projected for enterprise zone status is roughly comparable to the tax revenue losses associated with economic zone tax incentives. Your Committees note that, if the two departments are also able to estimate the amount of savings obtained from a reduction in fossil fuel expenditures (monies going out of State) in conjunction with the direct growth measures, it is likely that economic growth will far outweigh short-term tax revenue losses. As such, the use of enterprise zone incentives is a relatively straightforward, quantifiable mechanism for new industry development, job growth, and concurrent economic vitality in targeted industries.

Your Committees have amended this measure accordingly, by expanding the definition of "eligible business activity" to include:

- (1) Production of electric power from renewable energy, rather than only wind and solar energy; and
- (2) Owning, controlling, operating, or managing any seawater air conditioning district cooling project.

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. 1164, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1164, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 1 (Ihara).

**SCRep. 413 (Joint) Economic Development and Technology and Judiciary and Labor on S.B. No. 1162**

The purpose and intent of this measure is to strengthen the safeguards for security breaches of personal information held by government agencies, by:

- (1) Requiring government agencies to develop mandatory training programs for designated agency personnel;
- (2) In the event of a government security breach, requiring the government agency to be responsible for the cost of credit report or credit monitoring services for two years following the discovery of the security breach;
- (3) Requiring reports of security breaches to be submitted to the Information Privacy and Security Council;
- (4) Requiring the Council to coordinate implementation of guidelines by government agencies, and making the Comptroller or state Chief Information Officer Chair of the Council;
- (5) Authorizing the Information and Communication Services Division of the Department of Accounting and General Services to provide training; and
- (6) Appropriating unspecified funds for the Council.

Your Committees received testimony in opposition to this measure from two individuals. Your Committees received comments on this measure from the Department of Accounting and General Services, Department of Human Resources of the City and County of Honolulu, University of Hawaii Professional Assembly, and Grande Law Offices.

Your Committees find that in 2008, the Legislature approved several measures to provide greater protection to consumers from security breaches of personal information. Since that time, the Legislature, government agencies, and the private sector have continued a proactive approach to information security. This measure is one of several before the Legislature in the Regular Session of 2011, and your Committees have reviewed this measure as complementary to S.B. No. 796, which was also heard by your Committees.

Your Committees further find that the concerns regarding this measure have been primarily focused on insufficient funding for implementation of the provisions in this measure, specifically the free credit report or credit monitoring and the lack of resources for personnel and security tools.

Your Committees have removed the free credit report or credit monitoring provision from this measure and incorporated a comparable protection in S.B. No. 796, S.D. 1, by amending section 489P, Hawaii Revised Statutes, to add the requirement that credit bureaus shall offer free credit freeze services to victims of data breaches by the private or public sector.

Your Committees have also reviewed the funding concerns raised by the Department of Accounting and General Services. The Department testified that establishing an effective cyber security team would require approximately \$350,000 annually for personnel, and \$875,000 for the first year and \$170,000 thereafter for security tools, maintenance, and licenses.

Your Committees are in support of the expanded information security provisions in S.B. No. 796, S.D. 1, and in this measure.

Your Committees have amended this measure accordingly, by:

- (1) Deleting the proposed requirement for the government agency to be responsible for the cost of credit report or credit monitoring services for two years following the discovery of the security breach;
- (2) Adding two unspecified appropriations for specialist and coordinator positions in statewide network security, application scanning, security incident, and training; and for security tools, maintenance, and licenses, including software and enhanced web applications; 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1162, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1162, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (Gabbard, Ihara, Solomon).

**SCRep. 414 Economic Development and Technology on S.B. No. 756**

The purpose and intent of this measure is to:

- (1) Require the Department of Taxation to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically, telephonically, or by optical means; and
- (2) Reestablish the last day of the month as the deadline for filing and payment of general excise taxes.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, The Hawaii Business League; and Natalie J. Iwasa, CPA, Inc. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

This measure, as proposed by the Small Business Discussion Group, is intended to address small business objections to the earlier filing dates required under Act 22, Session Laws of Hawaii 2010, as well as giving businesses an incentive to make their general excise tax payments electronically. Most objections to the earlier filing date for general excise tax payments centered on the concern that check payments mailed to the Department of Taxation by the 20th day of the month, were not cashed and deposited by the State of Hawaii for periods as long as twelve to twenty-one days after the payments were made. By removing the cost of using the State's internet portal as an impediment to electronic payment of general excise taxes, your Committee seeks to restore last day of the month general excise tax payment due dates, while giving the Department of Taxation a relatively simple means of obtaining immediate payment of general excise taxes.

Your Committee finds that while the Department of Taxation has indicated support for the provisions of this measure, the Department has expressed concerns regarding the requirement that electronic filing be available by July 1, 2011. The Department estimates that it will take years to enable electronic filing of all returns, applications, reports, and other documents unless considerable financial and human resources are made available.

Your Committee is in agreement with the Department regarding the resources needed to implement an expanded electronic filing system, and has amended this measure accordingly, by:

- (1) Establishing the Integrated Tax Services and Management Special Fund to receive revenues from the Integrated Tax Services and Management System's post-implementation revenue-generating initiatives, and providing that monies in the fund shall be used to pay for the Integrated Tax Services and Management System;
- (2) Requiring the Department of Taxation to utilize performance-based contracts to enhance, acquire, or enhance and acquire automated tax systems, including computer hardware and software, for the implementation and administration of the taxes under title 14, Hawaii Revised Statutes, and requiring annual reports to the Legislature on the status of the performance-based contracts;
- (3) Appropriating funds for the Integrated Tax Services and Management Special Fund in fiscal year 2011-2012 to assist the Department in upgrading its operations, workforce, skills of its employees, or other purposes; provided that the Department shall repay the General Fund for the appropriation no later than June 30, 2012;
- (4) Requiring the Department to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically, telephonically, or by optical means, with no cost to the taxpayer for the electronic filing;
- (5) Lowering the tax liability threshold for any taxpayer required to remit taxes by one of the means of electronic funds transfer from \$100,000 to \$50,000; and
- (6) Repealing Act 22, Session Laws of Hawaii 2010, to reestablish the last day of the month as the deadline for filing and payment of miscellaneous taxes, and to reestablish the quarterly filing and payment of periodic insurance premium taxes.

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. 756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 756, 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. 415 (Majority) Economic Development and Technology on S.B. No. 333**

The purpose and intent of this measure is to support restoration and preservation of important heritage assets by:

- (1) Requiring one percent of all state fund appropriations designated for the construction and renovation of state buildings to be deposited into the Hawaii Historic Preservation Special Fund;
- (2) Adding the costs related to site modifications, display, and interpretive work necessary to enhance the visitor experience for the Bernice Pauahi Bishop Museum, Iolani Palace, and Washington Place to the uses of the fund; and
- (3) Requiring annual reports to the Governor and Legislature.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Land and Natural Resources, Iolani Palace, Bishop Museum, and Historic Hawai'i Foundation. Your Committee received testimony in opposition to this measure from the Department of Transportation and the American Institute of Architects Hawaii State Council.



Your Committee finds that the expansion of the existing Hawaii Historic Preservation Special Fund to include restoration and preservation of Bernice Pauahi Bishop Museum, Iolani Palace, and Washington Place recognizes Hawaii's indigenous history. Hawaii's uniquely complex artistic and cultural legacy from the monarchy period is enshrined in these three historic sites. Your Committee further finds that while not exclusive to these places, this legacy represents the adoption of Western visual forms to serve as emblems of an independent nation on equal status with colonial powers of that time. This 19th century trend, which occurred throughout the world, witnessed the creation of national museums, monuments, palaces, and stately residences that represented a formal, public expression of the character of a nation.

Your Committee has heard the concerns regarding the impact that the designation of an additional one percent of the costs of construction or renovation of state buildings will have on these projects, as well as the specific concerns of the Department of Transportation regarding the issue of revenue diversion. Your Committee understands that the anticipated revenue from this additional one percent allocation would be in the range of \$4,000,000 to \$5,000,000 annually.

In addition, your Committee has discussed a proposal to exempt the allowable projects in this measure from chapter 6E, Hawaii Revised Statutes, which requires a review by the Department of Land and Natural Resources. While your Committee understands the rationale to proceed expeditiously with projects that may have a limited impact on the particular facility, your Committee feels it would be more appropriate for the Department of Land and Natural Resources and its State Historic Preservation Division to work with these historic site facilities to determine the best means of retaining the Department's oversight while ensuring a timely review process.

Your Committee believes that state support of Hawaii's artistic and cultural heritage, and especially the indigenous culture, is in everyone's best interest and that resolution of the above concerns will require further discussion.

Your Committee has amended this measure accordingly, by:

- (1) Clarifying that when Hawaii Historic Preservation Special Fund monies are used for the ordinary maintenance or repair of any feature, that the ordinary maintenance or repair does not involve a change in design, material, or outer appearance or change in those characteristics that qualified the historic property for entry onto the Hawaii Register of Historic Places; 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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 333, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 333, S.D. 2, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Solomon). Noes, 1 (Slom). Excused, none.

#### **SCRep. 416 Economic Development and Technology on S.B. No. 753**

The purpose of this measure is to establish a tax credit for ten percent of qualified research and development labor costs and to extend the tax credit for research activities for an additional five years. The intent of this measure is to provide incentives to expand the growth of Hawaii's technology industries.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, Hawaii Venture Capital Association, Puko'a Scientific, Oceantronics, TeraSys Technologies LLC, and Oceanit. The Department of Taxation, Hawaii Strategic Development Corporation, High Technology Development Corporation, and Tax Foundation of Hawaii submitted comments.

Your Committee finds that, in comparing the research and development tax credit to other credits, the research and development credit is the most efficient in terms of generating and maintaining jobs per tax dollar, generating higher tax revenues for dollars spent, and stimulating more economic activity in the State per dollar of tax credit. The cost of the tax credit—which is roughly \$10,000,000 to \$15,000,000 per year—helps support \$50,000,000 to \$75,000,000 in qualified expenses, which represents \$100,000,000 to \$150,000,000 in business expenditures in the State. As pointed out by The Chamber of Commerce in its testimony, much of the expenditures come from imported dollars from outside investors, the federal government, or large mainland businesses. Since imported funds generate about a factor of two in economic activity in the State, the research and development efforts generate about \$200,000,000 to \$300,000,000 in economic activity.

Moreover, the research and development tax credit requires a company to expend its own funds first, and is thereafter eligible for a percentage refund (e.g., twenty percent of wages) of qualified work after the company files its tax return. As such, research and development tax credits for 2011 will not be paid until 2012, and most of the payments will not be until the latter half of the year. In the meantime, the State receives the benefits of a business base—one resulting in significant income tax revenues and general excise tax revenues from the monies spent by these employees—that it does not have to pay for until eighteen months later. As noted in other testimonies on this measure, the cost of the program is partially offset by the taxes paid on expenditures and payroll.

Your Committee welcomes the joint participation of the Department of Taxation and the Department of Business, Economic Development, and Tourism in identifying the type of data that will assist the State of Hawaii in evaluating the cost benefits of the research and development credit. With a more comprehensive view of the economic benefits associated with a strong research and development sector in Hawaii, your Committee is confident that the investments made in these credits will be shown to represent good value for the amounts of tax dollar allocations made.

Your Committee has amended this measure by:

- (1) Deleting the proposed tax credit for ten percent of qualified research and development labor costs;
- (2) Adding extensive reporting requirements for the state research and development tax credit, including an annual survey identifying the industry sector or sectors in which the qualified high technology business conducts business, qualified expenditures, revenue and expense data, Hawaii employment and wage data, and filed intellectual property, including invention disclosures, provisional patents, and patents issued or granted;

- (3) Requiring the Department of Taxation to use the annual survey data to prepare summary descriptive statistics and report to the Legislature by September 1 of each year, and to study the effectiveness of the tax credit and report to the Legislature by December 1 of each year; 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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 753, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 417 (Joint) Tourism and Economic Development and Technology and Hawaiian Affairs on S.B. No. 116**

The purpose of this measure is to require the Hawai'i Tourism Authority to support traditional Hawaiian arts and cultural activities and to require a portion of Tourism Special Fund monies to be used for this purpose. The intent of this measure is to ensure that the promotion of traditional Hawaiian pre-contact cultural activities, including traditional Hawaiian music, dance, and arts and crafts, remains a priority of the Hawai'i Tourism Authority.

Your Committees received comments on this measure from the Hawai'i Tourism Authority.

Your Committees find that this is a critical measure because it impacts the image of Hawaii and how Hawaii is marketed to and perceived by the rest of the world. Your Committees acknowledge that the Hawai'i Tourism Authority has a strong obligation to ensure that traditional Hawaiian culture, which is the foundation of the State, remains at the forefront of the Hawai'i Tourism Authority's marketing plan. Your Committees further find that, because many tourists choose to visit Hawaii for its unique cultural perspective, the Hawai'i Tourism Authority should convey a clear understanding and image of Hawaiian culture through its promotional and marketing strategies.

Your Committees heard testimony that expressed concerns regarding the measure's requirement that the Hawai'i Tourism Authority designate a fixed amount of money each year to the promotion of Hawaiian pre-contact arts and cultural activities. The testimony suggested that this requirement would restrict the Hawai'i Tourism Authority's policymaking authority at times when funds are limited. Testimony suggested that the Hawai'i Tourism Authority should instead be given the discretion to determine the way it allocates resources based on the availability of funding. Your Committees understand these concerns but remain in strong agreement that the Hawai'i Tourism Authority must take a proactive approach at setting the values, goals, and direction needed to promote Hawaiian culture.

Accordingly, your Committees have amended this measure by:

- (1) Requiring the Hawai'i Tourism Authority to balance its marketing and promotional activities with the need for the promotion and integration of native Hawaiian cultural initiatives;
- (2) Adding language clarifying that the promotion of cultural activities refers to native Hawaiian culture; and
- (3) Eliminating the requirement that a portion of Tourism Special Fund monies be used by the Hawai'i Tourism Authority for the promotion of traditional Hawaiian pre-contact arts and cultural activities.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Technology and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 116, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 116, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 418 (Joint) Economic Development and Technology and Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 796**

The purpose and intent of this measure is to require a business or government agency responsible for the inadvertent, unauthorized disclosure of a person's personal information liable to pay for that person's access to credit reports for at least three years.

Your Committees received testimony in support of this measure from Grande Law Offices. Your Committees received testimony in opposition to this measure from the Department of Human Resources of the City and County of Honolulu, Hawaii Bankers Association, Hawaii Credit Union League, American Council of Life Insurers, Property Casualty Insurers Association of America, and State Privacy and Security Coalition, Inc. Your Committees received comments on this measure from the Department of Accounting and General Services.

Your Committees find that in 2008, the Legislature approved several measures to provide greater protection to consumers from security breaches of personal information. Since that time, the Legislature, government agencies, and the private sector have continued a proactive approach to information security. This measure is one of several before the Legislature in the Regular Session of 2011, and your Committees have reviewed this measure as complementary to S.B. No. 1162, which was also heard by your Committees.

Your Committees further find that the concerns regarding this measure have been focused primarily on the scope of the provisions and the significant costs required to provide subscriptions to credit monitoring and reporting services to every person whose information has been disclosed in a security breach. Your Committees wish to commend the parties raising these concerns and the collaborative efforts by all regarding amendments to this measure.

Your Committees believe that, as amended, this measure and S.B. No. 1162, S.D. 1, address the legislative intent to provide greater security of personal information for Hawaii residents.

Your Committees have amended this measure by:

- (1) Deleting the proposed requirement that businesses or government agencies responsible for certain security breaches be liable for the costs of providing access to credit reports by affected persons for at least three years;
- (2) Requiring a business that maintains personal information about residents of Hawaii to implement a comprehensive written information security program; provided that financial institutions subject to certain federal guidelines shall be exempt from this requirement;
- (3) Requiring that a consumer credit reporting agency not charge a victim of identity theft or a security breach a fee for placing, lifting, or removing a security freeze on a credit report; and
- (4) 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 Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 796, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 796, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 12. Noes, none. Excused, 1 (Gabbard).

**SCRep. 419      Judiciary and Labor on S.B. No. 1269**

The purpose and intent of this measure is to address the unfunded liability of the Employees' Retirement System (ERS) by amending the definition of "compensation" for the purpose of calculating retirement benefits by excluding overtime, bonuses, lump sum salary supplements, and differentials.

Your Committee received testimony in support of this measure from the Governor, the Department of Budget and Finance, and the Department of Budget and Fiscal Services of the City and County of Honolulu. Your Committee received testimony in opposition to this measure from the State Fire Council and the Honolulu Fire Department; the Police Department of the City and County of Honolulu; United Public Workers; the Hawaii Fire Fighters Association; the State of Hawaii Organization of Police Officers; and one individual. Your Committee received comments on this measure from the Administrator of the Employees' Retirement System.

Your Committee finds that the current unfunded liability of the ERS is estimated to be approximately \$9,000,000,000, resulting in concerns about the ERS's financial stability over the long-term and the ability of the State to pay for government worker retirement benefits earned to date. This measure, together with other similar measures being heard by your Committee, are attempts to address this unfunded liability crisis. Given the current financial crisis of the ERS, it is incumbent upon your Committee to seek and consider every avenue available, so that going forward, the ERS can be stabilized and preserved for state and county employees.

Your Committee notes that the ERS Actuary estimates that the definition revision proposed in this measure will save the State approximately \$13,200,000 and the counties approximately \$19,000,000 in fiscal year 2012. Additionally, the ERS's unfunded liability is estimated to be reduced by at least \$500,000,000. This is a substantial step towards the goal of stabilizing the ERS. However, it may come at some cost to those employees who rely on significant overtime when calculating their retirement benefits. This measure will have a particularly large impact on police officers, fire fighters, and public safety officials, among others.

There are additional concerns. The ERS Board of Trustees estimates that there are 15,000 members that are currently eligible to retire who will do so. This would have a detrimental impact on the ERS unfunded liability, because contributions into the ERS would cease and benefits would begin to flow out for those retirees. The potential exodus of contributing employees is problematic.

Your Committee notes that while the Board of Trustees has provided cost information to your Committee, it has not taken a firm position on the proposals in this measure. The Board's position is important, and the Legislature relies on their expertise to inform our decisions on critical issues regarding the impact of various proposals on the health and efficacy of the ERS.

In crafting the amendments to the measure described below, your Committee, with limited information, has attempted to balance the potential gains of addressing a significant portion of the unfunded liability of the ERS with attempts to avoid inadvertently making the situation worse. Your Committee believes that the amendments described below will allow time to observe the effect of the changes in calculating compensation for purposes of retirement benefits and to make adjustments, if necessary.

Your Committee has amended this measure by:

- (1) Creating a gradual, stepped-down decrease in the percentage of "additional compensation" that will be used in the calculation of total compensation that determines retirement benefits for those employees who are members as of June 30, 2011, to avoid the mass exodus of members who are currently eligible to retire;
- (2) Retaining the immediate elimination of the inclusion of "additional compensation" in the amount of compensation used to calculate retirement benefits for those employees who become members on or after July 1, 2011;
- (3) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1269, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1269, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 420      Judiciary and Labor on S.B. No. 1078**

The purpose and intent of this measure is to specify that the benefits of the Hawaii Employer-Union Health Benefits Trust Fund are subject to negotiation, clarify that a decision of an arbitration panel shall be final, update statutory references, and make conforming amendments.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association and the University of Hawaii Professional Assembly. Your Committee received testimony in opposition to this measure from the Department of the Attorney General; the Department of Budget and Finance; and the Department of Human Resources, City and County of Honolulu.

Your Committee finds that health care costs to public employees are increasingly unaffordable and that by allowing negotiation of both premiums and benefits between unions and employers, benefit features that can be reduced or restructured without compromising key coverage areas can be identified. Your Committee recognizes, however, that allowing each bargaining unit to independently negotiate benefits may further complicate negotiations that have already proven to be difficult, lead to higher administrative burdens to unions and employers, and undermine the design of the Hawaii Employer-Union Health Benefits Trust Fund as a large group purchasing pool.

Your Committee further finds that this measure is one of a number of measures aimed at reforming the Hawaii Employer-Union Health Benefits Trust Fund, which your Committee understands has a current unfunded liability of \$10,000,000,000, and that certain reforms are likely necessary to maintain the financial viability of the Trust Fund. Your Committee anticipates more discussions between the Hawaii Government Employees Association, other stakeholders, and subsequent committees hearing this measure in order to define workable solutions to the issues facing the Trust Fund.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1078, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 421      Judiciary and Labor on S.B. No. 1066**

The purpose and intent of this measure is to address the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by:

- (1) Exempting the EUTF from the Procurement Code in procuring benefit plan carriers, consultants, actuaries, auditors, and administrators;
- (2) Imposing duties, restrictions, and liabilities on fiduciaries of the Trust;
- (3) Allowing the EUTF to retain an attorney as a legal advisor who is independent of the Attorney General;
- (4) Changing the number of trustees on the Board of Trustees of the EUTF, how they are appointed, their terms of office, and quorum and voting requirements;
- (5) Providing for sub-boards to administer exclusive bargaining unit contributions and benefits;
- (6) Requiring the EUTF to provide health and other benefit plans within certain contributions and appropriations; and
- (7) Transferring the administration of the EUTF from the Department of Budget and Finance to the Department of Human Resources Development.

Your Committee received testimony in support of this measure from the University of Hawaii Professional Assembly; the Hawaii Government Employees Association; and one individual. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, the Department of Budget and Finance, and the Department of Human Resources Development. Your Committee received comments on this measure from the State Procurement Office and the Department of Human Resources of the City and County of Honolulu.

Your Committee finds that the intent of this measure is to address the unfunded liability of the EUTF, which your Committee has been informed currently stands at \$10,000,000,000. This measure, along with several other measures being heard by your Committee, attempts to make fundamental changes in the EUTF to address concerns that it is not operating in the manner as was originally intended, which has made the EUTF system ineffective and expensive. Given the current financial crisis of the EUTF, it is incumbent upon your Committee to seek and consider every avenue available to improve the efficiency of the EUTF so that going forward, the EUTF can be stabilized and preserved for state and county employees.

While your Committee acknowledges that there are concerns regarding various provisions proposed in this measure, your Committee anticipates more discussions with the Hawaii Government Employees Association, other stakeholders, and subsequent committees hearing this measure to address these issues. Your Committee believes that every attempt to address the EUTF system should be pursued.

Your Committee has amended this measure by:

- (1) Removing the provisions imposing fiduciary duties on trustees of the EUTF, due to potential conflicts with existing state laws and to ambiguities related to the federal Employee Retirement and Income Security Act from which these fiduciary provisions are drawn;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1066, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 422 Commerce and Consumer Protection on S.B. No. 1519**

The purpose and intent of this measure is to amend the Safe and Fair Enforcement for Mortgage Licensing Act in order to meet additional regulatory objectives of the Act.

Your Committee received testimony in support of this measure from the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Association of Mortgage Brokers, the Mortgage Bankers Association of Hawaii, and Hawaii Mortgage Company, Inc. Your Committee received comments on this measure from the Office of Information Practices and Hawaii Financial Services Association.

Your Committee finds that Hawaii's Safe and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes, was originally enacted in 2009 pursuant to the requirements of federal law. Your Committee further finds that the regulatory system established by the federal law, with which Hawaii is obligated to comply, is still in the process of becoming fully developed as its component parts are implemented nationwide. Your Committee also finds that as Hawaii's regulatory agencies have begun implementing the requirements of the state and federal laws on the State level, they have identified opportunities for increasing administrative efficiency and making the law more responsive to real world regulatory concerns.

Your Committee also finds that the participation and cooperation of stakeholders is essential to build a successful regulatory structure. Unfortunately, fruitful collaboration among the interested parties to strengthen this measure has not yet been realized. Finally, your Committee finds that because of the unsettled state of the controlling federal law and the lack of opportunity for stakeholders to come to consensus on important issues, this measure remains incomplete. However, your Committee finds that this measure should continue to progress through the legislative process so that the Secure and Fair Enforcement for Mortgage Licensing Act may be amended to create a strong and enforceable regulatory system to assist the industry and safeguard consumers.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1519, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1519, S.D. 2, 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 (Taniguchi, Slom).

**SCRep. 423 (Joint) Commerce and Consumer Protection and Health on S.B. No. 1274**

The purpose and intent of this measure is to amend the external review procedure contained in Hawaii's Patient's Bill of Rights and Responsibilities to conform to the requirements of the federal Patient Protection and Affordable Care Act.

Your Committees received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, Kaiser Permanente Hawaii, and 'Ohana Health Plan. Your Committees received testimony in opposition to this measure from Hawaii Coalition for Health, Kokua Council, and six private citizens.

Your Committees find that this measure is necessary to ensure that Hawaii remains in compliance with federal law. Your Committees note that Hawaii's health care consumers will be prohibited from using the current procedure for external review of adverse decisions by insurers contained in the Patient's Bill of Rights and Responsibilities as of the date that the external review provisions of the federal Patient Protection and Affordable Care Act are fully effectuated. Your Committees further find that, irrespective of any federal mandates, Hawaii's external review process has devolved from a broad consumer protection to a narrowly-available process that is inaccessible to most of Hawaii's insured individuals. Your Committees are mindful that many individuals have found remedy for denials of service or coverage in Hawaii's process and the current external review system has sometimes served as a locus of advocacy for equitable health care policy. However, the system is currently broken and, in the face of its narrowing applicability and a federal mandate for reform, the State has no choice to implement new and innovative measures that still provide a high level of consumer protection.

Your Committees have amended this measure by:

- (1) Adding a provision to specify that exhaustion of a health carrier's internal appeals process is not necessary in the event that a health carrier substantially fails to comply with its internal review process;

- (2) Extending the response time for certain stages of the external review process from one to three days where allowed pursuant to federal law in order to promote compliance by providing realistic timelines;
- (3) Clarifying the procedure for determining eligibility for external review;
- (4) Clarifying that a health carrier shall make available for review all documents and information considered in making an adverse determination or adverse final determination;
- (5) Clarifying that a health plan is not required to proceed with an internal review in the case of a simultaneously-occurring expedited external review, but may choose to do so and may reverse an adverse determination or adverse final determination through internal review;
- (6) Clarifying that all requests for expedited review of experimental or investigational treatment adverse determinations shall be accompanied by a signed physician's certificate;
- (7) Streamlining the external review process by requiring the participation of only one clinical reviewer;
- (8) Clarifying the telecommunications capacity requirements for independent review organizations to ensure compliance with the requirements of this measure;
- (9) Clarifying conflict of interest provisions to comply with federal law;
- (10) Amending procurement requirements to provide protections under the Procurement Code while ensuring that adequate personnel are available to effectively carry out the requirements of this measure;
- (11) Specifying that health carriers shall make certain forms available on their websites and by request;
- (12) Authorizing the Insurance Commissioner to adopt rules to effectuate the purpose of this measure; and
- (13) Making conforming amendments to Hawaii's Patient's Bill of Rights and Responsibilities, chapter 432E, Hawaii Revised Statutes;
- (14) Specifying that this measure shall be construed in conformity with the federal Patient Protection and Affordable Care Act of 2010 and authorizing the Insurance Commissioner to apply emergency rule-making authority if necessary to ensure conformity with the federal law;
- (15) Specifying that, in the event of a delayed effective date of the requirements of the federal law, the currently-applicable provisions of state law shall continue to govern the external appeals process until the federal law is fully effectuated or January 1, 2012, whichever is sooner;
- (16) Specifying that this measure shall sunset in the event that the external review provisions of the federal Patient Protection and Affordable Care Act are found unconstitutional by the Supreme Court of the United States; and
- (17) 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 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. 1274, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1274, 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 (Galuteria, Shimabukuro, Solomon, Slom).

**SCRep. 424 (Majority) Health on S.B. No. 939**

The purpose of this measure is to establish a Statewide Fall Prevention and Early Detection Coordinator under the Department of Health and to make an appropriation for the position. The intent of this measure is to help prevent falls among elderly residents of the State.

Your Committee received testimony in support of this measure from the Department of Health; the Department of Community Services, City and County of Honolulu; The Queen's Medical Center; Project Dana; Injury Prevention Advisory Committee; and six private citizens. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance and one private citizen.

Your Committee finds that falls and fall-related injuries among elderly adults impose a financial strain on Hawaii's health care system. Among adults sixty-five years and older, falls are the leading cause of injury-related deaths, hospitalizations, and emergency medical service calls. Your Committee further finds that direct medical charges for fall and fall-related injuries amount to \$82,800,000 a year, an amount that could be doubled if the costs of rehabilitation and long-term care are taken into account.

Your Committee additionally finds that access to fall prevention services and programs would significantly reduce these costs. Early detection of fall occurrences would reduce both expenses and suffering by expediting treatment, minimizing serious long-term consequences, reducing the extent of injury, and in some instances, avoiding death. This measure will help establish injury prevention and detection efforts with the goal of decreasing the incidence of falls among the elderly 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 is in accord with the intent and purpose of S.B. No. 939 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Shimabukuro, Wakai).

**SCRep. 425 (Majority) Health on S.B. No. 597**

The purpose and intent of this measure is to authorize appropriately trained and supervised licensed psychologists to prescribe psychotropic medications for the treatment of mental illness to promote the delivery of comprehensive, accessible, and affordable mental health medical care throughout the State.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, Kokua Kalihi Valley Comprehensive Family Services, Hawai'i Primary Care Association, American Psychological Association Practice Organization, Through the Looking Glass, and eight private citizens. Your Committee received testimony in opposition to this measure from the Department of Public Safety and ten private citizens. Your Committee received comments on this measure from the Hawaii Board of Psychology and the Hawaii Medical Association.

Your Committee finds that mental health care delivery within the State of Hawaii may be enhanced by providing trained medical psychologists, licensed in Hawaii, with limited prescriptive authority. Your Committee heard testimony concerning the measure's broad delegation of authority to a psychologist to prescribe psychotropic medications and understands this to be a valid concern that needs further consideration.

Accordingly, your Committee has amended this measure by:

- (1) Amending the prescriptive authority granted under this measure to apply to antidepressant medication, rather than psychotropic medication, and adding a definition for antidepressant medication;
- (2) Eliminating the definition of psychotropic medication and making conforming amendments throughout this measure; and
- (3) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 597, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 597, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Chun Oakland). Noes, 2 (Nishihara, Slom). Excused, 1 (Wakai).

**SCRep. 426 (Joint) Human Services and Judiciary and Labor on S.B. No. 896**

The purpose and intent of this measure is to establish a homeless job training program to be managed by the Department of Human Services.

Your Committees received testimony in support of this measure from the Department of Human Services, Office of Community Services of the Department of Labor and Industrial Relations, Partners in Development Foundation, St. Stephen's Diocesan Center of the Roman Catholic Diocese of Honolulu, and two individuals.

Your Committees find that employment assistance is often listed as one of the top needs of homeless individuals and families. Your Committees further find that the program in this measure will provide tools and experience to help homeless individuals help themselves.

Your Committees also find that homeless provider agencies can access job readiness and other employment programs through the Department of Labor and Industrial Relations. The Office of Community Services, an agency administratively attached to the Department of Labor and Industrial Relations, is one of the agencies that provide job training to several different demographics in Hawaii. Accordingly, your Committees find that the Department of Labor and Industrial Relations should work in cooperation with the Department of Human Services to carry out the purpose and intent of this measure.

Your Committees note that the Employment and Training Fund established pursuant to section 383-128, Hawaii Revised Statutes, should be considered in addition to General Fund monies as a source of funds for employment and training purposes. Your Committees believe this issue merits further discussion by the Committee on Ways and Means.

Your Committees have amended this measure by adding the Department of Labor and Industrial Relations as an entity who shall work with the Department of Human Services to develop and implement a homeless job training program.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 896, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 896, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 427 Hawaiian Affairs on S.B. No. 261**

The purpose and intent of this measure is to:

- (1) Establish the Museum for Hawaiian Music and Dance, an advisory committee, and procedures for the development, operation, and management of the Museum; and
- (2) Appropriate funds for the design and environmental assessment relating to the construction of the facility.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; State Foundation on Culture and the Arts; Office of Hawaiian Affairs; Hawaiian Music and Dance Foundation; Hickam

Communities LLC, and five individuals. Your Committee received comments on this measure from the Hawaii Community Development Authority and the State Procurement Office.

Your Committee finds that the Museum for Hawaiian Music and Dance proposed in this measure will highlight the importance of music and dance to the Hawaiian culture and serve as a focal point for residents and visitors alike. In addition, the Museum will serve as an archive of what are primarily aural traditions, preserving these aspects of the culture for future generations.

While your Committee is in strong support of the establishment of the Museum for Hawaiian Music and Dance, your Committee also recognizes the difficulties of funding its establishment in the face of many competing needs for financial resources. Your Committee hopes that the Museum of Hawaiian Music and Dance Design Committee will consider alternatives, such as revenue bonds or other funding for the planning, design, and construction of the Museum.

Your Committee has amended this measure by deleting its contents and inserting language to:

- (1) Provide a findings and purpose section on the importance of establishing the Museum of Hawaiian Music and Dance;
- (2) Establish the eleven-member Museum of Hawaiian Music and Dance Design Committee, and ensure representation from all islands;
- (3) Authorize the Committee to invite developers to prepare plans, specifications, and designs for the construction of the Museum, and to review for approval the proposed Museum development plans submitted by developers; and
- (4) Appropriate funds to finance the design and construction of the Museum of Hawaiian Music and Dance.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 261, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 1 (Slom).

**SCRep. 428 (Joint) Hawaiian Affairs and Water, Land, and Housing on S.B. No. 1**

The purpose and intent of this measure is to provide for the recognition of the Native Hawaiian people by the State of Hawaii, and to implement that recognition by means and methods that will facilitate their self-governance, including the establishment of or the amendment to programs, entities, and other matters that relate, or affect ownership, possession, or use of lands by the Native Hawaiian people, and by further promoting their entitlements, health, education, welfare, heritage, and culture.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Sovereign Councils of the Hawaiian Homelands Assembly, Association of Hawaiian Civic Clubs, Maunaloa Hawaiian Civic Club, Ko'olauloa Hawaiian Civic Club/Friends of Kahana, Aha Kiole Advisory Committee, Papa Ola Lokahi, Native Hawaiian Chamber of Commerce, and two individuals. Your Committees received testimony in opposition to this measure from The Koani Foundation; The Committee of Hawaiian Nationals; Paukukalo Hawaiian Home Commission Association, Inc.; and twelve individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs; Indigenous Consultants, LLC; Aha Hawai'i 'Oiwī; Hou Hawaiians; Ke Aupuni O Hawaii; and one individual.

Your Committees first wish to thank all those who testified on this measure and on S.B. No. 1520, who took the time to share their mana'o—whether in support or opposition. Your Committees understand that for many, this was one more inconvenient trip to the State Capitol, one more reading of a carefully prepared statement, one more day of frustration—or hope.

Your Committees share that frustration, but the members also believe that the two measures before your Committees take a step on the road. Your Committees understand that much of the opposition to this measure is based on deeply held philosophical differences, and your Committees respect this right to differ. These measures are not perfect and your Committees are well aware of that. This is a process and it will not be completed with the passage of either of these bills, or a combination of the concepts. Your Committees believe strongly, however, that this measure and S.B. No. 1520, bring that process home where it belongs.

In addition to the language in S.B. No. 1, your Committees heard discussion on amendments proposed by a member of your Committees. Your Committees have amended this measure by deleting its contents and inserting language to establish a new chapter in the Hawaii Revised Statutes to reflect those proposed amendments, by:

- (1) Inserting a more comprehensive findings purpose section that outlines the history and rights of Native Hawaiians as the only indigenous, aboriginal, “maoli” Hawaiian population;
- (2) Establishing a nine-member Native Hawaiian Roll Commission to prepare and maintain a roll of qualified Native Hawaiians, certify that the individuals on the roll of qualified Native Hawaiians;
- (3) Requiring the Commission to publish notice of the certification of the qualified Native Hawaiian roll;
- (4) Requiring the Commission, after the publication of the roll of qualified Native Hawaiians, to appoint an Interim Council of nine members from the roll of qualified Native Hawaiians to independently commence the organization of a convention of qualified Native Hawaiians, established for the purpose of organizing themselves; provided that the Commission may appoint as members of the Interim Council members of Native Hawaiian organizations that were established in April 1865 or December 1918 and are currently active as a Native Hawaiian organization;
- (5) Requiring the Governor to dissolve the Native Hawaiian Roll Commission after the Interim Council is appointed and the Interim Council has provided notice to the Governor that it has organized and is ready to commence the organization of a convention of qualified Native Hawaiians;



- (6) Clarifying that there is no diminishment of rights or privileges enjoyed by the Native Hawaiian people that are not inconsistent with the provisions of this measure;
- (7) Reaffirming the delegation of federal authority, governmental authority and power, and negotiations;
- (8) Clarifying that nothing in this measure is intended to serve as a settlement of any claims against the State of Hawaii, or affect the rights of the Native Hawaiian people under state, federal, or international law; and
- (9) Appropriating unspecified funds for expenditure by the Office of Hawaiian Affairs.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Fukunaga, Shimabukuro, Tokuda).

**SCRep. 429 (Joint) Hawaiian Affairs and Judiciary and Labor on S.B. No. 1520**

The purpose and intent of this measure is to establish procedures for state recognition of a First Nation government by establishing a new chapter in the Hawaii Revised Statutes to include:

- (1) An extensive findings and purpose section and definitions;
- (2) An affirmation of the State of Hawaii policy regarding Native Hawaiians;
- (3) Establishment of a nine-member Commission to prepare, maintain, and certify a roll of qualified Native Hawaiian constituents;
- (4) Establishment of requirements and procedures for preparation of the roll;
- (5) Establishment of a process of recognition and ratification of governing documents and an Interim First Nation Governing Council;
- (6) Clarification that there is no diminishment of rights or privileges enjoyed by the Native Hawaiian people that are not inconsistent with the provisions of this measure;
- (7) A reaffirmation of the delegation of federal authority, governmental authority and power, and negotiations;
- (8) Clarification that nothing in this measure is intended to serve as a settlement of any claims against the State of Hawaii, or affect the rights of the Native Hawaiian people under state, federal, or international law;
- (9) Authorization to adoption of rules; and
- (10) An appropriation of unspecified funds for expenditure by the Office of Hawaiian Affairs.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Sovereign Councils of the Hawaiian Homelands Assembly, Waianae Kai Hawaiian Homestead Association, Association of Hawaiian Civic Clubs, Maunaloa Hawaiian Civic Club, Aha Kiole Advisory Committee, Council for Native Hawaiian Advancement, and three individuals. Your Committees received testimony in opposition to this measure from Na Koa Ikaika o Ka Lahui Hawaii, The Koani Foundation, Committee of Hawaiian Nationals, Kingdom of Hawai'i, Ke Aupuni O Hawaii, The Libertarian Party, Citizens for Truth and Justice—Maui County, and twenty-four individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs, Aha Hawai'i 'O'iwi, and one individual.

Your Committees first wish to thank all those who testified on this measure and on S.B. No. 1, who took the time to share their mana'o—whether in support or opposition. Your Committees understand that for many, this was one more inconvenient trip to the State Capitol, one more reading of a carefully prepared statement, one more day of frustration—or hope.

Your Committees share that frustration, but the members also believe that the two measures before your Committees take a step on the road. Your Committees understand that much of the opposition to this measure is based on deeply held philosophical differences, and your Committees respect this right to differ. These measures are not perfect and your Committees are well aware of that. This is a process and it will not be completed with the passage of either of these bills, or a combination of the concepts. Your Committees believe strongly, however, that this measure and S.B. No. 1, bring that process home where it belongs.

Your Committees have amended this measure by:

- (1) Clarifying that in the matter of contracts, both the Commission and the Interim First Nation Governing Council may enter into contracts with, or obtain grants from, any federal or state agency for the purposes of the new chapter established by this measure; and
- (2) 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 Hawaiian Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1520, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1520, 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 (Slom). Noes, none. Excused, 1 (Gabbard).

**SCRep. 430 (Joint) Water, Land, and Housing and Hawaiian Affairs on S.B. No. 1154**

The purpose and intent of this measure is to:

- (1) Establish a South Kona Wilderness Area on the Island of Hawaii to preserve vulnerable visual, natural, and historical aspects of the lands; and
- (2) Require the Department of Land and Natural Resources to coordinate a plan for the management of the Wilderness Area.

Your Committees received testimony in support of this measure from The Nature Conservancy; Robert K. Lindsey, Jr., Trustee, Office of Hawaiian Affairs; Jeffrey Edwards; Pedro Velasco, Jr.; Leighton M. Kahele; Maria Day; Kaiali'i Kahele; L.P. Neenz Faleafine; and Leanne Yanabu. Your Committees received testimony in opposition to this measure from the Department of the Attorney General and the Department of Land and Natural Resources.

Your Committees find that endemic Hawaiian plants and animals thrive in the undeveloped South Kona area that includes Honomalino, Okoe, Kapu'a, Kaulanamauna, and Manuka. Your Committees also find that this area possesses sites of visual, historical, and cultural significance, such as a holua slide, heiau, and burial caves. As a consequence of these findings, your Committees believe it is imperative to support and preserve these aspects of South Kona by placing restrictions on development.

Your Committees further find that this measure would require the Department of Land and Natural Resources to support and preserve these unique aspects of South Kona. Your Committees have heard the Department of Land and Natural Resources' concerns regarding the need for additional resources and formal planning to carry out the intent of this measure.

Accordingly, your Committees have amended this measure by:

- (1) Eliminating the provision regarding the Department of Land and Natural Resources' duty to create a management plan for the South Kona Wilderness Area; and
- (2) 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 Water, Land, and Housing and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1154, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1154, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Shimabukuro, Tokuda).

**SCRep. 431 (Joint) Public Safety, Government Operations, and Military Affairs and Hawaiian Affairs on S.B. No. 284**

The purpose and intent of this measure is to establish a Hawaiian cultural restoration program for non-violent inmates to participate in a work force dedicated to the preservation and restoration of historic Hawaiian sites and other areas as determined by the Office of Hawaiian Affairs.

Your Committees received testimony in support of this measure from two state departments, one entity, and one individual. Your Committees received comments on this measure from one state agency.

The intent of your Committees is to establish under the Department of Public Safety a temporary pilot program to be known as the Hawaiian Cultural Restoration Program that will provide working opportunities for non-violent inmates to participate in the restoration and rebuilding of sites that are of cultural significance in Hawaiian history. Inmates selected for the pilot program would be able-bodied individuals capable of heavy construction work, including the building of a barracks and other living facilities to house the pilot program participants near the work site.

Your Committees note that this measure is particularly timely in light of the Honolulu Star Advertiser article of February 14, 2011, entitled "Prisons become key source of labor" explaining that private and public groups hit hard by the recession are increasingly hiring less costly inmate workers.

Your Committees note testimony indicating that prison labor does not normally do historic preservation work in the technical sense, because it does not have the archeological expertise. The Office of Hawaiian Affairs in its oral testimony indicated that it is emphasizing the compilation of a database of historic sites but is not active in doing preservation work. Therefore, your Committees believe that the Department of Public Safety and the Office of Hawaiian Affairs need to involve the State Historic Preservation Division of the Department of Land and Natural Resources in preservation work as envisioned by this measure.

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 Public Safety, Government Operations, and Military Affairs and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 284, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 284, 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, Slom).

**SCRep. 432 (Joint) Public Safety, Government Operations, and Military Affairs and Economic Development and Technology and Tourism on S.B. No. 112**

The purpose and intent of this measure is to make an appropriation out of the general revenues for fiscal years 2011-2012 and 2012-2013 for application for a spaceport license from the Federal Aviation Administration.

Your Committees received testimony in support of this measure from one state department, seven entities, and seven individuals. Testimony in opposition was received from two individuals.

Your Committees find that tourism is the chief generator of employment and revenue in the State and influences all sectors of the State's economy. New developments in technology, increased visitor sophistication, and greater competition from other world tourism markets require Hawaii's tourism industry to direct their marketing efforts at visitors with specific interests.

Your Committees recognize that expanding the State's tourism product by developing new niche products, such as space tourism, can enhance Hawaii's appeal as a tourist destination. Your Committees note from testimony that Act 187, Session Laws of Hawaii 2009, made a similar appropriation which was not released.

The effort to establish an international commercial spaceport in Hawaii builds upon the ongoing development of innovative spaceplanes that can take off and land at local airports using existing runways that service commercial jet aircraft, but which also employ advanced propulsion technologies to carry satellites, experiments, and tourists to space. Over the past decade, private companies in both the United States and foreign nations have been developing prototype spaceplanes for commercial space transportation. The commercial space transport market is in a major expansion mode, in terms of the number of people flying suborbitally each year and the number of spaceports working to build market share.

Commercial space transport will help drive the next generation of global aviation technologies, systems, and protocols, and states that engage in this industry from its inception will help establish and mature spaceplane operation centers and flight corridors to be networked worldwide. Hawaii is uniquely qualified to assume a leadership role in this effort for the entire Asia-Pacific region.

In contrast with the continental United States and Alaska, Hawaii is in a unique position to support and benefit from space plane operations. Situated in the middle of the Pacific, we are ideally located to serve as a node on the soon to emerge spaceplane transportation network. In addition, with major airport runways proximal to the ocean, Hawaii can use existing aviation infrastructure to enable the launch and landing of spaceplanes at local airports. Spaceplane operations in Hawaii would bring a new dimension to our visitor industry, bringing in a new source of state revenue.

Your Committees further find that in order for spaceplanes to launch and land from Hawaii's airports, the State must obtain a commercial space transport license from the Federal Aviation Administration. Funding requested through this measure will enable the Office of Aerospace Development to conduct the environmental and safety assessment studies required for this license to certify that spaceplane operations can be conducted safely in Hawaii.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Economic Development and Technology and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 112 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Kouchi, Solomon).

**SCRep. 433 (Majority) Public Safety, Government Operations, and Military Affairs on S.B. No. 106**

The purpose and intent of this measure is to clarify that Act 193, Session Laws of Hawaii 2008, relating to requiring concurrent sentencing of multiple terms of imprisonment, unless otherwise ordered by the court, applies to all terms of imprisonment imposed on, before, or after the effective date of that Act.

Your Committee received testimony in support of this measure from four entities and fourteen individuals. Your Committee received testimony in opposition to this measure from two State departments, one county department, and one individual.

Your Committee finds that if this measure is not passed, then manifest injustice results for those inmates who were sentenced prior to June 18, 2008, the effective date of Act 193. Your Committee believes that there is no ostensibly valid reason why the sentences of those inmates cannot be recalculated, inasmuch as Act 193 by its own terms applies to all sentences whenever imposed.

Your Committee has amended this measure by:

- (1) Clarifying that any resentencing pursuant to this measure of defendants who were sentenced prior to June 18, 2008, shall not be considered as a reopening of a final judgment, or impose any liability upon the State for sentencing errors;
- (2) Changing the effective date of the entire measure to July 1, 2011; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 106, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Baker, Kidani, Ryan). Noes, 1 (Slom). Excused, none.

**SCRep. 434 (Majority) Public Safety, Government Operations, and Military Affairs on S.B. No. 1426**

The purpose and intent of this measure is to:

- (1) Require the City and County of Honolulu to return to the State monies derived from the county surcharge on state tax;
- (2) Authorize the issuance of general obligation bonds to reimburse the City and County of Honolulu; and
- (3) Extend for an additional two years the sunset of Act 247, Session Laws of Hawaii 2005, relating to the county surcharge on general excise and use taxes and the ordinance levying that surcharge.

Your Committee received testimony in support of this measure from one State department. Your Committee received testimony in opposition to this measure from one county mayor, eleven entities, and one individual. Your Committee received comments on this measure from one entity.

Your Committee finds that to meet the current and future financial needs of the State, having the City and County of Honolulu return a portion of the monies transferred to it from revenues derived from county surcharges on state general excise and use taxes is a reasonable means of achieving a balanced budget for state operations without adversely impacting the City's fiscal status or resorting to a drastic reduction in state services or personnel.

Your Committee further finds that the revenues already derived from the county surcharge on state general excise and use taxes and transferred to the City and County of Honolulu are largely unencumbered and will not be needed in the immediate future. These monies would be better utilized if applied to the immediate financial needs of the State, of which the City and County of Honolulu is a part.

Your Committee has amended this measure by:

- (1) Authorizing the state Director of Finance to make the required payments to the county Director of Finance from available sources other than the remaining balance after deducting costs of assessment and collection, including general obligation bond proceeds;
- (2) Requiring that all payments described in paragraph (1) from sources other than the state treasury special accounts shall cause an equivalent amount to be deducted from the state treasury special account and become a General Fund realization of the State;
- (3) Inserting an effective date of July 1, 2050, to allow for 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1426, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Kidani, Ryan). Noes, 1 (Baker). Excused, none.

**SCRep. 435 Public Safety, Government Operations, and Military Affairs on S.B. No. 1221**

The purpose and intent of this measure is to require the general contractor and subcontractor for construction procurement to file certification of compliance with the eighty percent Hawaii resident workforce requirement with the notice of final completion of the contract. This measure also clarifies that the general contractor shall not be sanctioned for noncompliance by a subcontractor.

Your Committee received testimony in support of this measure from one county department and two entities. Your Committee received testimony in opposition to this measure from one State department and nine entities.

This measure requires that both subcontractors and general contractors be held liable for violating the law. This measure also facilitates compliance and enforcement.

The intent of your Committee is to help reduce the substantial administrative burden on general contractors and subcontractors by requiring them to certify compliance with the statute only once, at final completion, instead of monthly as is currently required.

Your Committee has amended this measure by:

- (1) Allowing the contractor to withdraw a bid prior to an award of the contract if the contractor finds it cannot comply with the requirement that eighty percent of the workforce be comprised of Hawaii residents;
- (2) Deleting references to temporary suspension of work on the project and permanent disqualification of the contractor or subcontractor as sanctions for failure to comply;
- (3) Clarifying that it is the final payment on the contract that is to be withheld for noncompliance; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 436 Public Safety, Government Operations, and Military Affairs on S.B. No. 1147**

The purpose and intent of this measure is to restrict the eminent domain powers of the counties to ensure that private property, if acquired by a county through its eminent domain powers, is acquired only for public uses and not for private use.

Your Committee received testimony in opposition to this measure from one county mayor, two county departments, one entity, and one individual.

Under existing law, counties have the power to exercise its power of eminent domain when it is in the public interest. Counties can take private property for public use. Your Committee is concerned that this measure, as drafted, may preclude the City and County of Honolulu's use of the power of eminent domain to acquire real property along its mass transit route. This is because the existing language allowing certain public uses would be deleted.

Your Committee has amended this measure by:

- (1) Allowing the taking of private property by a county for certain public uses; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1147, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 437 (Majority) Public Safety, Government Operations, and Military Affairs on S.B. No. 779**

The purpose and intent of this measure is to clarify that construction projects may be procured using the design-build process of combining design and construction into a single contract.

Your Committee received testimony in support of this measure from one State department, one State agency, and twenty-four entities. Your Committee received testimony in opposition to this measure from two State departments, one county department, and one county agency.

Your Committee finds that the current procurement process for design-build project contracts requires offerors to prepare, in most instances, conceptual design drawings as part of their proposals. This requires a considerable initial investment and may prevent many local firms from submitting proposals for design-build contracts. As a result, purchasing agencies may experience a decrease in competition, an increase in prices, and may potentially be forced to sacrifice design and construction creativity.

The intent of your Committee is to provide for the selection of the most qualified offerors for design-build projects and to encourage the participation of Hawaii-based companies, including local small firms, in the design-build proposal process.

Your Committee has amended this measure by:

- (1) Adding a definition of "design-build" that is recommended by the 2000 Model Procurement Code for State and Local Governments, issued by the American Bar Association;
- (2) Authorizing the procurement officer to procure services using the design-build method under certain specified conditions, upon recommendation of the State Procurement Office;
- (3) Deleting language relating to the procedures for a two-phased approach;
- (4) Allowing up to three responsible offerors to comprise the short list of offerors for purposes of submittal of proposals or discussions and evaluations;
- (5) Clarifying the authorization for payment of a conceptual design fee;
- (6) Changing the term "requester" to "non-selected offeror" throughout the measure;
- (7) Changing the effective date from July 1, 2011, to January 1, 2012; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 779, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 438 Water, Land, and Housing on S.B. No. 608**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to review and consider the sale or exchange of parcels in Sand Island Industrial Park, taking into account existing and potential lease terms, lease income, and use of lease revenues.

Your Committee received testimony in support of this measure from the Sand Island Business Association. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that in 1992, the Department of Land and Natural Resources entered into a fifty-five year lease with the Sand Island Business Association for the Sand Island Industrial Park. Your Committee also finds that the lessee made substantial improvements, subleased the lots, and managed the Sand Island Industrial Park on behalf of the Department of Land and Natural Resources, pursuant to the terms of the lease, at a significant cost. Your Committee acknowledges that the members of the Sand Island Business Association are interested in purchasing fee title to the lands at the Sand Island Industrial Park.

After considering the testimony presented, your Committee finds that sale of the fee title to the Sand Island lessees would not be in the best interests of the State's economy or its natural resources. Your Committee also finds that the Department of Land and Natural Resources relies heavily on income from lease revenues derived from the Sand Island Industrial Park lease.

Your Committee further finds that an exchange of lands could benefit and support the State's economy and resources. Accordingly, a proposed S.D. 1 eliminating the State's duty to consider the sale of the Sand Island property was made available to members of the public.

Your Committee has adopted the proposed S.D. 1 made available to the public, which amends the measure by:

- (1) Making discretionary the Department of Land and Natural Resources' review and consideration of the exchange of any Sand Island parcels, and eliminating its duty to review and consider the sale of any Sand Island parcel; and
- (2) Clarifying the factors that the Department may consider in evaluating an exchange of Sand Island parcels.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 608, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Dela Cruz, Shimabukuro, Solomon, Slom). Noes, none. Excused, 3 (Fukunaga, Ryan, Tokuda).

**SCRep. 439 Water, Land, and Housing on S.B. No. 1247**

The purpose and intent of this measure is to:

- (1) Abolish the Aloha Tower Development Corporation and transfer its rights, powers, functions, and duties to the Department of Transportation, except certain rights, powers, functions, and duties relating to zoning and planning;
- (2) Establish the Aloha Tower Fund and appropriate monies from the fund for the Commercial Harbors Modernization Plan of the Harbors Modernization Group and the Aloha Tower Marketplace Project;
- (3) Designate a community development district including the Aloha Tower and its surroundings; and
- (4) Grant the Hawaii Community Development Authority powers to exercise zoning and planning powers and functions with respect to the community development district.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received testimony in opposition to this measure from the Department of Transportation. Your Committee received comments on this measure from the Hawaii Community Development Authority.

Your Committee finds that this measure implements the Legislature's decision to dissolve the Aloha Tower Development Corporation. Your Committee also finds that the Department of Transportation is already performing much of the critical work in statewide commercial harbors including the Aloha Tower area. As a consequence of these findings, your Committee believes the Department of Transportation is the appropriate state agency to assume the responsibilities formerly belonging to the Aloha Tower Development Corporation.

Your Committee further finds that the Aloha Tower area is adjacent to the Kakaako Community Development District, over which the Hawaii Community Development Authority has jurisdiction. Your Committee also finds that in comparison with the Aloha Tower Development Corporation, the Hawaii Community Development Authority has similar general powers and authority and increased capacities. As a result, your Committee believes the Hawaii Community Development Authority is the appropriate state agency to assume the zoning and planning functions of the Aloha Tower Development Corporation.

Your Committee has amended this measure by:

- (1) Clarifying that the community development area described in part II of the measure constitutes a new Community Development District located entirely within the Kakaako Community Development District and under the jurisdiction of the Hawaii Community Development Authority;
- (2) Clarifying that notwithstanding the first clarification, the Department of Transportation has jurisdiction over the new Community Development District for all purposes except for the purposes of exercising planning and zoning powers and duties;
- (3) Changing the latest date that the Harbors Modernization Group may be administratively placed under the Department of Transportation to July 1, 2011 to give effect to the language of this measure; 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 Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Shimabukuro, Slom).

**SCRep. 440 Water, Land, and Housing on S.B. No. 1393**

The purpose and intent of this measure is to:

- (1) Authorize the inclusion of dams and reservoirs serving Important Agricultural Lands in the total acreage calculation for Important Agricultural Lands;
- (2) Provide tax credits for dam remediation, aquacultural facilities, certain agricultural food processing facilities, and certain agricultural worker housing;
- (3) Grant priority to aquacultural activities in state-owned harbors;
- (4) Amend the definition of "agricultural activities" in section 166-2, Hawaii Revised Statutes, to include aquaculture;
- (5) Provide a general excise tax exemption to qualified agricultural food processing facilities; and
- (6) Require the Department of Agriculture to establish requirements for agricultural worker housing.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation; Alexander & Baldwin, Inc.; and one individual. Your Committee received testimony in opposition to this measure from the Department of Taxation; and the Department of Business, Economic Development, and Tourism's Office of Planning. Your Committee received comments on this measure from the Department of Transportation; the Department of Land and Natural Resources; and the Department of Agriculture.

Your Committee finds that the Department of Land and Natural Resources' investigative studies and inspections of dams and reservoirs in the State that, while for the health and safety of citizens of the State, have resulted in a multitude of recommended actions that have imposed extreme financial burdens for some dam and reservoir owners, many of whom are farmers and agricultural operators who rely on these facilities for their livelihood. Your Committee further finds that providing tax credits applicable to expenses incurred in response to directives from the Department of Land and Natural Resources increases the likelihood that more of these facilities will be kept in continued operation. Your Committee also finds that other financial incentives, such as a tax credit for aquacultural facilities, will also encourage and increase agricultural activities in the State, but that some of the credits originally contemplated in this measure are duplicative of existing tax credits.

Your Committee finds that giving aquacultural activities priority over leisure craft and houseboats in state-controlled harbor facilities will encourage sustainable food production for the State, but recognizes that the maritime activities in commercial harbors must take precedence.

Your Committee also finds that though it is desirable to create a set of requirements specifically for the construction of farm dwellings, building codes are within the expertise and purview of the counties and that at this time the Department of Agriculture is not equipped to assume these duties.

In consideration of the above findings in conjunction with the testimony presented, your Committee has determined that certain sections of this measure are unnecessary while others require further clarification. Therefore, your Committee has amended this measure by:

- (1) Deleting language that would have placed all dams and reservoirs, including small facilities exempted under existing law, under the jurisdiction of the Department of Land and Natural Resources;
- (2) Allowing dams and reservoirs to be included in the total area calculation of Important Agricultural Lands used to qualify for incentives pursuant to section 205-46, Hawaii Revised Statutes;
- (3) Disallowing dams and reservoirs to be included in the total area calculation of Important Agricultural Lands used in a petition for a declaratory order designating Important Agricultural Lands in combination with the reclassification of agricultural land to the rural, urban, or conservation district;
- (4) Including reservoirs in the tax credit for remediation of dam facilities;
- (5) Deleting the tax credits for agricultural food processing facilities and agricultural worker housing;
- (6) Clarifying that the priority given to aquacultural activities in harbors shall not apply to the State's commercial harbors;
- (7) Appropriately placing the provision relating to aquacultural activities in harbors in chapter 200, Hawaii Revised Statutes, relating to ocean recreation and coastal area programs, rather than in chapter 266, Hawaii Revised Statutes, relating to harbors;
- (8) Deleting language that would have included the care and production of aquatic life as an agricultural activity in chapter 166, Hawaii Revised Statutes;
- (9) Deleting language specifying that dams and reservoirs are support infrastructure conducive to agricultural productivity, which would have facilitated the designation of lands upon which dams and reservoirs are located as Important Agricultural Lands; and
- (10) Deleting requirements that the Department of Agriculture develop building code requirements for farm dwellings and employee housing.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1393, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Shimabukuro, Slom).

**SCRep. 441 Commerce and Consumer Protection on S.B. No. 298**

The purpose and intent of this measure is to establish requirements for the organizational and regulatory framework of a sustainable business corporation.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, Hawaii Venture Capital Association, the Entrepreneurs Foundation of Hawai'i, the American Sustainable Business Council, the Dean of the School of Business at Chaminade University of Honolulu, A & R M Systems, The Hogan Entrepreneurs, Natural Investments, LLC, GreenCar Hawaii, Bainbridge Graduate Institute, and three individuals. Your Committee received testimony in opposition to this measure from the Commissioner of Securities for the Business Registration Division of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the sustainable business corporation designation contained in this measure provides incentives for business development and excellent corporate citizenship. Your Committee further finds that encouraging private enterprises to engage with the community and to direct their corporate vision toward issues other than profit motives stimulates innovation in the business and social arenas. Your Committee notes that this measure represents consensus among stakeholders, including the state regulatory agency.

Your Committee has amended this measure by:

- (1) Clarifying that a sustainable business corporation is a domestic corporation subject to existing requirements for all corporations;
- (2) Deleting requirements for the filing of a sustainable business corporation's annual report with the Department of Commerce and Consumer Affairs and penalties for noncompliance with the requirement;
- (3) Requiring that a sustainable business corporation provide copies of its annual report to members of the public upon request and at no charge;
- (4) Clarifying the relevant personal relationships to be considered in determining whether an individual is independent with respect to a sustainable business corporation;
- (5) Requiring that a sustainable business corporation's annual report contain a statement that registration with the State does not imply state endorsement of the sustainable business corporation's business practices or general or specific public purpose;
- (6) Emphasizing that registration with the State as a corporation doing business in the State does not imply state endorsement of the sustainable business corporation's corporate conduct and prohibiting a sustainable business corporation from representing otherwise; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 298, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 298, S.D. 2, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 442 Judiciary and Labor on S.B. No. 1341**

The purpose and intent of this measure is to address the unfunded liabilities of the Employees' Retirement System (ERS) by amending retirement benefits for state and county employees who become members of the ERS after June 30, 2012.

Your Committee received testimony in support of this measure from the Chairman of the Board of Trustees of the Employees' Retirement System and the Administrator of the Employees' Retirement System. Your Committee received testimony in opposition to this measure from the Hawaii Fire Fighters Association. Your Committee received comments on this measure from the Department of Budget and Fiscal Services of the City and County of Honolulu.

Your Committee finds that the unfunded liability of the ERS will continue to place a quickly-escalating financial burden on the State and counties as the annual required contribution grows for the required rate of contribution by the public employers and the resulting dollar amounts. The rising number of retirees and the accelerating pension benefits payable to them, combined with the shrinking ERS assets and consequent decreasing cash returns on these investments, have created an enormous dilemma. The annual consequences required by the State and counties are growing at a rate that could overwhelm their financial resources and, consequently, the stability of the ERS. Alternatively, the ERS benefit structure can be retooled for new employees to avoid the insolvency of the ERS.

The ERS Board of Trustees has been working with its Actuary to design a benefit structure for new employees that reduces the long-term costs of the ERS and also provides a reasonable retirement package to state and county employees when combined with other retirement vehicles such as Social Securities. Your Committee notes that this measure will affect only new ERS members by reducing the pension benefits they would accrue as compared to those of current members.



Your Committee also notes that this measure is a consolidation of two similar measures, H.B. No. 1142 and H.B. No. 1038, that are presently being heard in the House of Representatives. Your Committee is in agreement with the substance of the proposed amendments in H.B. No. 1038, H.D. 1, which adjusts the age requirements for various benefit levels.

Accordingly, your Committee has amended this measure by:

- (1) Conforming the age requirements for various benefit levels to H.B. No. 1038, H.D. 1;
- (2) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and conformity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1341, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1341, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 443 Water, Land, and Housing on S.C.R. No. 2**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a non-exclusive easement, covering a portion of state submerged lands identified as tax map key number (2) 4-6-3, seaward of parcel 5, for purposes of renovation and construction of a seawall.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Buz Moffett, Stanley Dunn, Thomas Brayton, Daniel Regan, and Christine Ho.

Your Committee finds that a seawall straddles the seaward boundary of the private property identified as tax map key number (2) 4-6-3:5 and submerged public land, which is state-owned and identified by tax map key number (2) 4-6-3, seaward of parcel 5. The owner of the private property has expressed concerns that the seawall requires maintenance and reconstruction, and has expressed her wish to obtain an easement for purposes of maintenance and reconstruction.

Your Committee heard the testimony of the private property owner that the area of the seawall is one hundred thirty square feet, instead of sixty-nine feet, as is currently stated in the measure. Therefore, your Committee has amended this measure by:

- (1) Providing that the area of the seawall is one hundred thirty square feet, rather than sixty-nine square feet; 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, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 2, as amended herein, and recommends that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.C.R. No. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Shimabukuro, Slom).

**SCRep. 444 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 1077**

The purpose and intent of this measure is to:

- (1) Authorize the payment of interest on Title XII loans advanced under provisions of Section 1202(b) of the Social Security Act, as amended, from the Employment Training Fund; and
- (2) Allow for an increase in employer assessments to the Employment and Training Fund in increments of .01 percent for the 2011 calendar year to fund the payment of the interest on the loans.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations. Your Committees received comments on this measure from The Chamber of Commerce of Hawaii.

Your Committees find that based on the testimony from the Department of Labor and Industrial Relations, Hawaii's Unemployment Trust Fund is currently insolvent and federal Title XII loans were received beginning December 2010. Federal law requires that the interest payment on outstanding loans be paid by September 30, 2011. Current projections show that the outstanding loan balances will be \$7,000,000 in September 2011 and the interest due will be approximately \$1,000,000. Barring any further changes to the law that could affect solvency, the Unemployment Trust Fund is expected to repay all advances due in 2012.

Failure to pay interest when due may result in a loss of certain tax credits and the loss of approximately \$15,000,000 in administrative grants to operate the Unemployment Insurance Program in Hawaii. Employers may see an increase from \$56 to \$434 per employee annually in federal unemployment tax. If the administrative grant is withheld, jobless workers will not be able to file unemployment insurance claims due to the total shutdown of all unemployment insurance offices.

Your Committees believe that the method of Title XII loan repayment proposed under this measure is the most feasible. Additionally, based on the potential repercussions of not paying the interest when due, your Committees believe that passage of this measure is imperative.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1077, 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, 11. Noes, 1 (Sлом). Excused, 6 (Gabbard, Ihara, Kidani, Kim, Kouchi, Wakai).

**SCRep. 445 Water, Land, and Housing on Gov. Msg. No. 517**

Recommending that the Senate advise and consent to the nominations of the following:

CHAIRPERSON OF THE BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 517 WILLIAM JOHNSON AILA, JR., for a term to expire December 31, 2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds William Johnson Aila, Jr., to possess the requisite qualifications to be nominated as Chairperson of the Board of Land and Natural Resources.

Your Committee received testimony in support of the nomination of William J. Aila, Jr., from Colleen Hanabusa, United States Representative, Hawai'i, First District; Allen Tom, Regional Director of the Office of National Marine Sanctuaries, National Oceanic and Atmospheric Administration; the Office of the Governor of Hawaii; three state agencies; forty-nine private entities; and one hundred sixty-four private individuals.

William Johnson Aila, Jr., is a lifelong resident of the Waianae Coast of the Island of Oahu, where he has dedicated countless hours of his time to community service. Mr. Aila has served on numerous boards, councils, and advisory groups over the last twenty years, including the Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve Council Hawaii Community Development Authority, United States Army Ordinance Reef Advisory Committee, Advisory Group to United States Army Garrison Hawaii, Kaena Point Advisory Group, Leeward Community College Waianae Campus Advisory Board, Waianae Weed and Seed Task Force, Waianae Coast Alternative Development Corporation, Waianae Coast Neighborhood Board, Waianae Coast Comprehensive Health Center, Lualualei Ahupua'a Council, Lokahi A Lanakila O Waianae, Mohala I Ka Wai, Ukani Po Advisory Council, and numerous others.

Mr. Aila's service and community activities have included various activities that put him in touch with community members, resource users, and diverse industries in our State. His generosity and volunteerism is well-known, particularly his efforts to address the homeless crisis on the Leeward Coast of Oahu. His community activities demonstrate a love for the natural, cultural, and historical resources of Hawaii.

In his professional capacity, Mr. Aila currently serves as the Interim Director of the Department of Land and Natural Resources, and most recently served as Harbormaster of the Waianae Small Boat Harbor for twenty-three years. As Interim Director he has assumed responsibilities for issues that he is well qualified to address: cultural and historical resources, conservation and coastal lands, iwi kupuna, native and endangered species, and public parks. As former Harbormaster, Mr. Aila already has a wealth of knowledge and experience in the protection and management issues related to aquatic resources, boating and ocean recreation, and water resources.

Your Committee finds that Mr. Aila worked with federal partners to establish the Humpback Whale National Marine Sanctuary and the Papahānaumokuākea Marine National Monument. The Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve Advisory Council has guided the development of the Monument over the last ten years, and Mr. Aila has been a member of the Council. As a member, Mr. Aila established a process for Native Hawaiian cultural input in the guidance and management of the Monument. This cultural input helped the Monument achieve United Nations Educational, Scientific and Cultural Organization recognition as a World Heritage site. Mr. Aila's essential role in the guidance of the Monument demonstrates his steadfastness and commitment.

Your Committee finds that Mr. Aila has the unanimous respect and trust of the groups with which he has worked, and that his cautious, respectful approach can assist the Department in fulfilling its mandates. As one testifier noted, Mr. Aila "is comfortable dealing with western trained scientists and indigenous native Hawaiian cultural practitioners — this unique skill set will make him an exceptional manager of one of the State of Hawaii's largest departments." In addition, Mr. Aila talks and listens to diverse groups and establishes new partnerships. As a result, he is well-suited to address the myriad problems and responsibilities facing the Department.

Your Committee further finds that the Chairperson of the Board of Land and Natural Resources faces challenges that are not limited to the inadequacy of available resources needed to fulfill the Department of Land and Natural Resources' mission. The Chairperson must fulfill a diverse mission to "enhance, protect, conserve and manage Hawaii's unique and limited natural, cultural and historic resources held in public trust for current and future generations of visitors and the people of Hawaii nei in partnership with others from the public and private sectors." Mr. Aila works cooperatively, and in this fiscal climate, cooperation is needed. In addition, testimony indicates that Mr. Aila does not shy away from making tough decisions. This trait is critical for the leader of a Department facing significant challenges.

Your Committee finds that Mr. Aila has the knowledge, expertise, and abilities befitting of the important position of Chairperson of the Board of Land and Natural Resources and that his commendable record of public service and aforementioned characteristics qualify him for that position.

As affirmed by the record of votes of the members of your Committee on Water, Land, 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, 7. Noes, none. Excused, none.

**SCRep. 446 (Majority) Ways and Means on S.B. No. 570**

The purpose and intent of this measure is to amend the law relating to taxation

Your Committee conducted a public decision making on a proposed draft of this measure. The purpose of the proposed draft is to reduce or eliminate the state tax deduction for general excise taxes paid by a taxpayer in taxable years beginning after December 31, 2010, and through December 31, 2012, depending upon the taxpayer's federal adjusted gross income and filing status.

Your Committee received testimony in opposition to this measure from Brett Aweau.

Your Committee finds that the proposed draft of this measure provides initiatives that are needed to address the current economic downturn.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 570, 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. 570, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 447      Ways and Means on S.B. No. 573**

The purpose and intent of this measure is to amend the law relating to the state budget.

Your Committee has amended this measure by inserting language that appropriates funds to the Department of Hawaiian Home Lands to effectively assess and track programmatic needs of applicants on its waitlists in order to determine the amount of future appropriations necessary for lot development, issuing loans, rehabilitation projects, and administration costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 573, 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. 573, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (English, Espero, Kouchi).

**SCRep. 448      (Majority) Ways and Means on S.B. No. 1055**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for the public employees in collective bargaining unit (2) and their excluded counterparts within the Executive Branch for fiscal biennium 2011-2013.

Kalbert K. Young, Interim Director, Department of Budget and Finance, submitted comments on this measure.

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1055, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 449      (Majority) Ways and Means on S.B. No. 1061**

The purpose of this measure is to appropriate funds for Hawaii employer-union health benefits trust fund costs for Executive Branch public employees in collective bargaining unit (4) and their excluded counterparts for fiscal biennium 2011-2013.

Your Committee received written comments on this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1061, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 450      (Majority) Ways and Means on S.B. No. 1062**

The purpose and intent of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs for Executive Branch public employees in collective bargaining unit (8) and their excluded counterparts for fiscal biennium 2011-2013.

Your Committee received comments on this measure from Kalbert K. Young, Interim Director, the Department of Budget and Finance

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 451 (Majority) Ways and Means on S.B. No. 1063**

The purpose and intent of this measure is to appropriate unspecified sums for fiscal biennium 2011-2013 to make cost adjustments for the public employees in collective bargaining unit (13) and their excluded counterparts in the executive branch, in the judicial branch and who are assigned to the Hawaii health systems corporation.

Your Committee received comments in opposition to this measure from the Department of Budget and Finance.

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1063, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 452 (Majority) Ways and Means on S.B. No. 1064**

The purpose and intent of this measure is to appropriate funds for fiscal biennium 2011-2013 for:

- (1) Collective bargaining cost items in the collective bargaining agreement negotiated with collective bargaining unit (4); and
- (2) Salary increases and other cost adjustments for state officers and employees in the Executive Branch, in the Judicial Branch, and who are employed by the Hawaii Health Systems Corporation who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (4).

Your Committee received written comments in opposition to this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance.

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and the exclusive representative of public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1064, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 453 (Majority) Ways and Means on S.B. No. 1075**

The purpose and intent of this measure is to appropriate funds to cover the cost of salary increases and other collective bargaining cost items for fiscal biennium 2011-2013, for public employees in collective bargaining unit (8) and their excluded counterparts who are employed by the Executive Branch, Judiciary, and Hawaii Health Systems Corporation.

Your Committee received comments in opposition to this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and the exclusive representative of public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1075, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 454 (Majority) Ways and Means on S.B. No. 1077**

The purpose of this measure is to appropriate funds to cover the cost of salary increases and other collective bargaining cost items for public employees in collective bargaining unit (6) and their excluded counterparts within the Executive Branch, the Judiciary, and Hawaii Health Systems Corporation for fiscal biennium 2011-2013.

Your Committee received written comments in opposition to this measure from Kalbert K. Young, Interim Director of the Department of Budget and Finance.

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1077, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 455 (Majority) Ways and Means on S.B. No. 1083**

The purpose and intent of this measure is to appropriate unspecified sums for Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (9) and their excluded counterparts within the Executive Branch for fiscal biennium 2011-2013.

Your Committee received comments on this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance.

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1083, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 456 (Majority) Ways and Means on S.B. No. 1084**

The purpose and intent of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs for the public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2011-2013 in the executive branch.

Your Committee received written comments on this measure from Kalbert K. Young, Interim Director of the Department of Budget and Finance.

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1084, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 457 (Majority) Ways and Means on S.B. No. 1085**

The purpose and intent of this measure is to appropriate funds for the Hawaii Employer-Union Health Benefits Trust Fund costs for Executive Branch public employees in collective bargaining unit (3) and their excluded counterparts for fiscal biennium 2011-2013.

Your Committee received comments on this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance.

Your Committee finds that this measure should continue to move through the legislative process in the event that public employers and the exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1085, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 458 (Majority) Ways and Means on S.B. No. 1095**

The purpose and intent of this measure is to appropriate funds for the Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (13) and their excluded counterparts for fiscal biennium 2011-2013.

Your Committee received comments on this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance.

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1095, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 459 (Majority) Ways and Means on S.B. No. 1096**

The purpose and intent of this measure is to appropriate unspecified sums for fiscal biennium 2011-2013 for collective bargaining cost items, salary increases, and other cost adjustments for state employees and officers in collective bargaining unit (9) and their excluded counterparts in the Executive Branch, in the Judiciary, and who are assigned to the Hawaii Health Systems Corporation.

Your Committee received testimony in opposition to this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance.

Your Committee finds that this measure should continue to move through the legislative process in the event that the public employers and exclusive representative of the public employees identified in the measure come to an agreement over cost items during the legislative session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1096, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 460      Ways and Means on S.B. No. 777**

The purpose and intent of this measure is to require state and county agencies to pay for goods and services generally within fifteen days of the delivery of the goods or the performance of the service.

The measure also allows for payment with interest within forty-five days in case of exigent circumstances.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, the Hawaii Alliance of Nonprofit Organizations, Child and Family Services, Aloha United Way, the National Council of Nonprofits, Lanakila Pacific, Goodwill Industries of Hawaii, PATCH-People Attentive to Children, Providing Awareness Referrals Education Nursing Therapy School, James K. Mee, and Paul J. Buklarewicz.

Your Committee received testimony in opposition to this measure from the Department of Accounting and General Services, the Department of Education, the City and County of Honolulu, and the Department of Design and Construction of the City and County of Honolulu.

Your Committee received comments on the measure from Partners in Development Foundation.

Your Committee finds that late payments to nonprofit organizations by state and county agencies have been on the rise in recent years, and such late payments adversely impact the ability of nonprofit organizations in fulfilling their missions to benefit the community.

Your Committee has amended this measure by deleting its substantive contents and establishing a prompt payment task force comprised of representatives from state agencies, the Legislature, and nonprofit organizations, to study and resolve issues that prevent state agencies from making prompt payment for goods and services. The task force will be required to report its findings and recommendations and submit proposed legislation to the Legislature not later than twenty days prior to the convening of the 2012 Regular Session of the Legislature. The amended measure also requires the task force to participate in a joint information briefing regarding its report upon the request of the Legislature. In addition, your Committee has made technical, nonsubstantive amendments to the purpose section of the measure 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. 777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 777, 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, 3 (English, Espero, Kouchi).

**SCRep. 461      Ways and Means on S.B. No. 1356**

The purpose and intent of this measure is to increase fairness in tax administration by prohibiting the imposition of multiple penalties on certain tax underpayments.

Specifically, this measure prohibits the imposition of more than one penalty for tax violations attributable to more than one of the following: false and fraudulent tax statements, substantial understatement or misstatements of tax, and erroneous claims for tax refunds or credits.

Your Committee received testimony in support of this measure from Frederick D. Pablo, Interim Director, Department of Taxation; and Peter L. Fritz. Comments on the measure were received from the Tax Foundation of Hawaii.

Your Committee finds that Act 166, Session Laws of Hawaii 2009, established tax penalties similar to federal penalties for tax underpayments. However, unlike the federal law, Act 166 did not prohibit the stacking of tax underpayment penalties. This means that Hawaii taxpayers may be subject to penalties imposed under multiple tax underpayment violations for a single act. Your Committee finds that this measure promotes the fair application of these penalties by prohibiting the imposition of multiple penalties for one applicable violation.

Your Committee has amended this measure by:

- (1) Adding willful failure to collect and pay over tax (section 231-36.4, Hawaii Revised Statutes) to the violations under this measure for which penalties cannot be stacked; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1356, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (English, Espero, Kouchi).

**SCRep. 462 Public Safety, Government Operations, and Military Affairs on Gov. Msg. No. 513**

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR OF THE DEPARTMENT OF PUBLIC SAFETY

G.M. No. 513 JODIE MAESAKA-HIRATA, for a term to expire December 1, 2014.

Your Committee received testimony in support of Jodie Maesaka-Hirata from Governor Neil Abercrombie; Department of Public Safety; Hawaii Paroling Authority; Department of the Prosecuting Attorney of the City and County of Honolulu; Radcliff & Associates, LLC; United Public Workers; S&B Foods Hawaii, Inc.; Hina Makua; Women in Need; National Association of Reformed Criminals; and sixty-seven individuals. Your Committee received testimony in opposition from two individuals.

Jodie Maesaka-Hirata has been the Acting Warden of the Waiawa Correctional Facility since January, 2008. As Acting Warden, she oversees the direction, control, coordination, and general management of the Waiawa Correctional Facility which houses adult male offenders. Her duties include budget development, planning, staffing organization, coordination of activities, evaluation of programs, and reporting on results and achievements. As a Warden, she is responsible for the custody, rehabilitation, and redirection of inmates; prevention of escape; facility operations and maintenance of infrastructure; and daily functioning of re-entry programs.

The nominee received a Bachelor of Science in Social Work from the University of Hawaii at Manoa and a Masters in Criminal Justice Administration from Chaminade University of Honolulu. She began her career with the Department of Public Safety as a Case Manager at the Oahu Community Correctional Center in 1989, moved to the central office in 1994 to serve as the statewide Volunteer Services Officer, was promoted to the position of Community-Based Administrator at the Oahu Community Correctional Center in 2002, then was asked to become the Acting Waiawa Correctional Facility Warden in January 2008.

As the Warden at Waiawa, the nominee has effectively and efficiently carried out her duties, while boosting the morale of the staff and enhancing re-entry programs to promote Waiawa inmates' successful transition into the community. In addition, she has fostered a very positive partnership with the Hawaii Government Employees Association and the United Public Workers, which is essential for maintaining good management-employee relationships.

Based on testimony received, your Committee believes that Jodie Maesaka-Hirata is well-qualified for the position of Director of Public Safety. With her knowledge and experience in re-entry programs, her appointment is especially apropos at this time when the Administration is planning to return Mainland-housed inmates to Hawaii. From testimony on another measure that has been heard by your Committee on Public Safety, Government Operations, and Military Affairs, the nominee agrees that a corrections master plan is necessary, based on the corrections principles of inmate classification, facilities planning, and rehabilitation programs.

Your Committee notes, among other things, that the nominee intends to pursue accreditation for the Law Enforcement Division of the Department of Public Safety with the Commission on Accreditation for Law Enforcement, which your Committee supports.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, 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, 5. Noes, none. Excused, none.

**SCRep. 463 Public Safety, Government Operations, and Military Affairs on Gov. Msg. No. 514**

Recommending that the Senate advise and consent to the nominations of the following:

COMPTROLLER OF THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

G.M. No. 514 BRUCE A. COPPA, for a term to expire December 1, 2014.

Your Committee received testimony in support of Bruce A. Coppa from Governor Neil Abercrombie; Department of Accounting and General Services; Campaign Spending Commission of the State of Hawaii; University of Hawai'i Foundation; Hawaii Laborers-Employers Cooperation and Education Trust; United Public Workers; International Union of Painters and Allied Trades, District Council 50; Young Brothers; Radcliffe & Associates, LLC; Cockett Communications Inc.; The Gas Company; Hawaii Laborers' Union; Swinerton Builders; Crumpton & Hansen; MW Group, Ltd.; DTRIC Insurance Company, Limited; Honolulu Star-Advertiser; deK pacific construction, LLC; Filipino-American-Multi-Ethnic-Society; Akimeka, LLC; Hawaii Employers' Mutual Insurance Company, Inc.; Hiki No CC; Lyle S. Hosada & Associates, LLC; Imanaka Kudo & Fujimoto; Grace Pacific Corporation; Mid Pacific Petroleum; Castle & Cooke Hawaii; March of Dimes—Hawaii Chapter; YMCA of Honolulu; Wilson Okamoto Corporation; International Brotherhood of Electrical Workers; Kiewit Building Group; The Limtiaco Company; Venturesphere; The Chamber of Commerce of Hawaii; Central Pacific Bank; Lo'ihi Communications; General Contractors Association of Hawaii; and twenty-two individuals.

Bruce A. Coppa is currently the President and Chief Executive Officer of Coppa Consulting, Inc., a management consulting firm in Honolulu. Previously, he served as the Chief Operating Officer of Communications Pacific from May 2005 to July 2010. Mr. Coppa has served, among other positions, as Vice Chairman of The Chamber of Commerce of Hawaii, Trustee of the University of Hawaii Foundation, Chairman of the March of Dimes Hawaii, and Board Director of the Hawaii Visitors and Convention Bureau. The nominee was also the Executive Director of The Pacific Resource Partnership from 1993 to 2004. Prior to that, he was the Vice President of Operations, Marketing, and Planning for E.E. Black Limited for seven years. Mr. Coppa is active in community and

professional organizations. The nominee received a Masters in Business Administration in Global Management and a Bachelor of Science in Business Management.

Your Committee believes that the nominee, with over twenty-five years of diverse business background and managerial experience, possesses the qualifications to serve as the Comptroller and lead the Department of Accounting and General Services. More particularly, his invaluable contacts with construction industry management and labor will serve him well in the numerous state construction contracts overseen by the Department. Testifiers commented on Mr. Coppa's approachable managerial style, proactive approach to resolving issues, and ability to engage his employees—qualities that will benefit the Department as it strives to fulfill its mandates despite staffing and funding shortages.

Your Committee notes from the nominee's personal statement that his vision for the Department of Accounting and General Services is to enable the Department to provide quality service with reliability, flexibility, responsiveness, and innovation. He will accomplish this by creating an enriching environment of trust, cooperation, and mutual respect among employees and with customers. Mr. Coppa's highest priority is to commence, complete, and implement long-range information technology upgrades to the Information and Communication Services Division, including hiring a chief information technology officer and completing an information technology strategic plan by 2013. Mr. Coppa also plans to renovate and restore state buildings that are unoccupied, for example, the Kamamalu Building that has been empty for eight years, in order to move back in state employees who now occupy leased space elsewhere and incur an unnecessary cost for the State.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, 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, 5. Noes, none. Excused, none.

**SCRep. 464 Public Safety, Government Operations, and Military Affairs on Gov. Msg. No. 515**

Recommending that the Senate advise and consent to the nominations of the following:

ADJUTANT GENERAL OF THE DEPARTMENT OF DEFENSE

G.M. No. 515 MAJOR GENERAL DARRYLL D.M. WONG, for a term to expire December 1, 2014.

Your Committee received testimony in support of Major General Darryll D.M. Wong from Governor Neil Abercrombie; United States Senator Daniel K. Akaka; United States Representative Colleen Hanabusa; United States Transportation Command, United States Air Force; Pacific Air Forces, United States Air Force; Headquarters Air Mobility Command, United States Air Force; United States Army, Pacific; United States Pacific Command; Hawaii Army National Guard; Hawaii Air National Guard; Office of the Senior Enlisted Leader, Headquarters of the Hawaii National Guard; Hawaii Air National Guard Headquarters 154th Wing; Civil Air Patrol, Hawaii Wing, United States Air Force Auxiliary; United States Marshals Service; National Guard Bureau; Office of Veterans' Services, State of Hawaii Department of Defense; City and County of Honolulu Police Department; County of Hawai'i Police Department; County of Maui Police Department; Sandwich Isles Communications, Inc.; The Chamber of Commerce of Hawaii; Oceanit; Aloha Air Cargo; Galen Enterprises LLC; Special Olympics Hawaii; TriWest Healthcare Alliance; BAE Systems Spectral Solutions; The Gas Company; Iolani Palace; and thirty-one individuals. Your Committee received testimony in opposition from one individual.

Major General Darryll D.M. Wong is currently the Commander of the Hawai'i Air National Guard, which is the eighth largest Air National Guard unit in the nation. Major General Wong's military service includes active duty service in the United States Air Force from 1972 to 2001 as a pilot. He has been with the Hawai'i Air National Guard since 1984. Major General Wong is the architect of the first ever Air National Guard Associate Unit in the C-17 Operational Flying Squadron, and the creator of the 201st Signal Intelligence Squadron. The Major General has led and guided the Hawai'i Air National Guard to become the only Air National Guard unit to own the F-22 fighter jet. He has been an Aloha Air Cargo Pilot since 2008 and was previously an Aloha Airlines Pilot for over thirty years.

Major General Wong received a Bachelor of Arts in Geography from the University of Hawaii and a Master of Business Administration from the Shidler College of Business, University of Hawaii where he also earned a Certificate in International Management. The nominee has completed several military affairs related programs, including the Air War College, Air Command and Staff College, and Program for National and International Security Management at the John F. Kennedy School of Government, Harvard University. Major General Wong has received numerous awards and decorations, including the Legion of Merit, Vietnam Service Medal, Kosovo Campaign Medal, Humanitarian Service Medal, and the Meritorious Service Medal. He has also been active in community affairs, particularly athletics and has served as a volleyball coach at Maryknoll High School, Kamehameha School, and Punahou School.

Your Committee notes from the nominee's personal statement that he has been inculcated with a strong desire for public service in the values learned from his ethnic background and from his Maryknoll School education. One of Major General Wong's strongest capabilities is his ability to translate vision into a strategic plan that accomplishes its objectives and also links everyone together from the top down to the individual workers. Another of his strengths is his diplomacy in that he works well with diverse agencies and groups of people to resolve issues and to address everyone's issues to find win-win solutions. He arrives at creative solutions after careful and thoughtful listening. As a people person, he connects people by having an interest in them. However, the Major General can also make hard decisions while bringing energy to an organization by motivating people to achieve more. Your Committee believes these qualities are timely in that his skills are needed to prepare for the Asian Pacific Economic Conference to be held in Honolulu this fall.

Your Committee notes further from Major General Wong's personal statement that his goal for the State Civil Defense is to identify all capability gaps to successfully implement the 2009 Hawaii Catastrophic All-Hazards Concept Plan and take remedial action. He



also plans to reinstate the State Tuition Assistance Program to help defray the cost of educating young guardsmen to be educated through the University of Hawaii System.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, 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, 5. Noes, none. Excused, none.

**SCRep. 465 Commerce and Consumer Protection on S.B. No. 1178**

The purpose and intent of this measure is to require financial institutions otherwise exempt from regulation as mortgage servicers or from licensing by the Commissioner of Financial Institutions to register with and be subject to the regulatory authority of the Commissioner of Financial Institutions.

Your Committee received testimony in support of the intent of this measure from the Hawaii Bankers Association. Your Committee received testimony in opposition to this measure from the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, and the Hawaii Credit Union League.

Your Committee finds that the Legislature enacted the Secure and Fair Enforcement for Mortgage Licensing Act, codified as chapter 454F, Hawaii Revised Statutes, and licensure requirements for mortgage servicers, codified as chapter 454M, Hawaii Revised Statutes, in 2009 in response to abusive business practices occurring nationwide within the mortgage loan industry. Your Committee further finds that, despite the best efforts of the Legislature, because of the complex nature of the mortgage lending industry the regulatory measures adopted in 2009 were insufficient to cover all actors and all abuses within the industry. Therefore, additional legislation is necessary to ensure that the existing regulatory structure is comprehensive.

Your Committee also finds that this measure, as introduced, was an attempt to include currently unregulated entities that perform functions similar to regulated entities within the regulatory jurisdiction of the Commissioner of Financial Institutions. However, your Committee recognizes that the original version of this measure was overly broad and created potential conflicts with federal law.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with provisions to:

- (1) Clarify that mortgage loan originators licensed pursuant to chapter 454F, Hawaii Revised Statutes, are not required to also hold a license under chapter 454M, Hawaii Revised Statutes, to engage in mortgage loan activities;
- (2) Create new requirements for the voluntary surrender of a license as a mortgage servicer including requirements for advance notice to the Commissioner of Financial Institutions, surrender of the license issued pursuant to chapter 454M, Hawaii Revised Statutes, and reporting of all outstanding obligations;
- (3) Correct erroneous language in one section of chapter 454M, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee finds that this amended measure, while narrower in scope than the original measure, does effectively prohibit at least one especially abusive practice within the mortgage industry, specifically the dissolution of mortgage servicers in a manner that leaves outstanding obligations unfulfilled and that avoids accountability to the regulatory entity. Finally, your Committee notes that this amended measure, recommended by the Commissioner of Financial Institutions, is responsive to the concerns raised by the opponents of its original version.

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. 1178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1178, 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 (Slom).

**SCRep. 466 (Majority) Commerce and Consumer Protection on S.B. No. 1499**

The purpose and intent of this measure is to require condominium projects and associations of apartment owners to submit information on the number and appraised value of leasehold units within their projects as part of their biennial registration.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners and one private citizen. Your Committee received testimony in opposition to this measure from Management Information Consultants, Hawaii First, Inc., and one private individual.

Your Committee finds that there is currently no accurate data available on the number of leasehold condominiums remaining in the State since conversion of leasehold to fee simple ownership of condominiums began in the 1990's. Your Committee further finds that this information is useful for long-range land use and housing planning. Your Committee notes that the proponents of this measure have agreed to an amendment to this measure that removes the requirement to report the appraised value of leasehold condominium units.

Your Committee has amended this measure accordingly by:

- (1) Deleting the requirement to report the appraised value of leasehold condominium units;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1499, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1499, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Solomon). Excused, 1 (Slom).

**SCRep. 467 Commerce and Consumer Protection on S.B. No. 27**

The purpose and intent of this measure is to make housekeeping amendments to the Insurance Code by removing long-term care insurance from the definition of “accident and health or sickness insurance” and related terms in article 10A of chapter 431, Hawaii Revised Statutes, and deleting an obsolete statutory reference.

Your Committee received testimony in support of this measure from the American Council of Life Insurers. Your Committee received comments on this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs.

Your Committee finds that long-term care insurance is governed by article 10H of chapter 431, Hawaii Revised Statutes, whereas accident and health or sickness insurance, commonly referred to as health insurance, is governed by article 10A of that chapter. Your Committee further finds that the inclusion by reference of long-term care insurance in certain provisions of article 10A is an error and therefore should be deleted. Finally, your Committee finds that the provisions of article 10H provide adequate oversight and regulation of long-term care insurance.

Your Committee has amended this measure by changing the term “accident and health and sickness insurance” to “accident and health or sickness insurance” to conform to the language used throughout the Insurance Code.

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. 27, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 27, 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 (Galuteria).

**SCRep. 468 Commerce and Consumer Protection on S.B. No. 123**

The purpose and intent of this measure is to exempt producers of motor vehicle or homeowners insurance from general record-keeping requirements of the Insurance Code.

Your Committee received testimony in support of this measure from State Farm Insurance Companies. Your Committee received testimony in opposition to this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from Hawaii Insurers Council.

Your Committee finds that policyholders of motor vehicle and homeowners insurance often need quick access to their policies when the need to file a claim arises and delays in accessing records that are maintained in out-of-state offices may unnecessarily delay the claims process. Your Committee also finds that the availability and proliferation of electronically-maintained records make the retention of paper records unnecessary. Finally, your Committee finds that exempting certain insurance producers from the requirement to keep paper records when electronic records are readily available removes an avoidable burden from insurance producers while preserving consumers' access to important policy information. Your Committee notes that the new statutory language contained in this measure is the product of cooperation among stakeholders, including the State's regulatory entity.

Your Committee has amended this measure by:

- (1) Deleting the language that would have included motor vehicle and homeowners insurance in the general recordkeeping exemption contained in the current statute;
- (2) Adding a new statutory subsection to specify that producers of motor vehicle and homeowners insurance are exempt from general statutory recordkeeping requirements if electronic records are readily available to the producer; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 123, 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 (Galuteria).

**SCRep. 469 Commerce and Consumer Protection on S.B. No. 124**

The purpose and intent of this measure is to allow an insurer to cancel or refuse to renew a policy of motor vehicle insurance if the policy is transferred to a subsidiary or affiliate of the insurer and the premium rate is reduced.

Your Committee received testimony in support of this measure from State Farm Insurance Companies. Your Committee received testimony in opposition to this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure will exempt insurers from general prohibitions on cancelling or not renewing policies of motor vehicle insurance when the purpose of the cancellation or nonrenewal is to replace the existing policy with a new policy with terms and conditions that are more favorable to the insured. Your Committee further finds that this exemption preserves the

consumer-protection intent of the current law's general prohibition on cancellation or nonrenewal of motor vehicle insurance by allowing cancellations or nonrenewals of motor vehicle policies for the purpose of providing policies with more favorable terms and lower costs. Finally, your Committee notes that the language of this measure represents consensus between representatives of the motor vehicle insurance industry and the State's regulatory agency.

Your Committee has amended this measure by deleting its contents and replacing them with a new provision to be added to article 10C of chapter 431, Hawaii Revised Statutes, specifying that the exemption to the general prohibition on cancellation or nonrenewal of motor vehicle insurance applies narrowly to cases where a policy is cancelled or not renewed so that it may be replaced by a policy with terms, including cost, that are more favorable to the consumer.

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. 124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 124, 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 (Taniguchi, Slom).

**SCRep. 470 Commerce and Consumer Protection on S.B. No. 714**

The purpose and intent of this measure is to require condominium property managers, associations of apartment owners, and planned community associations to make association documents available to property owners under reasonable terms and for reasonable costs.

Your Committee received testimony in support of this measure from five private individuals. Your Committee received comments in support of the intent of this measure from the Hawaii Council of Associations of Apartment Owners, the Hawai'i Association of REALTORS, and Management Information Consultants. Your Committee received comments on this measure from one private citizen. Your Committee received testimony in opposition to this measure from Soleil Management Consolidated Resorts Management; Certified Management, Inc.; Hawaiiana Management Company, Ltd.; the Hawaii Chapter of the Community Associations Institute; and two private individuals.

Your Committee finds that this measure allows condominium and planned community associations to modernize their business practices by authorizing the electronic distribution of association information to homeowners within the association. Your Committee further finds that this measure increases transparency of association operations by ensuring that important association documents are accessible to homeowners without undue burdens such as excessive fees or restricted availability. Your Committee notes that although this measure is not yet in a form that accommodates interests of all stakeholders, it does respond to concerns raised on many relevant issues such as the protection of sensitive financial information and limiting electronic access to documents to current homeowners within the respective associations. Therefore, your Committee finds that this measure should move forward in the legislative process for further discussion and opportunities to achieve consensus among stakeholders.

Your Committee has amended this measure by:

- (1) Specifying that financial information of an association shall be excluded from the information required to be posted on an association or property management company's website;
- (2) Specifying that information posted on an association or property management company's website is required to be accessible only to homeowners within the association;
- (3) Inserting an effective date of July 1, 2050, to allow for 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 714, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7; Ayes with Reservations (Solomon). Noes, none. Excused, none.

**SCRep. 471 Commerce and Consumer Protection on S.B. No. 1273**

The purpose and intent of this measure is to authorize the Insurance Commissioner to enforce applicable provisions of the federal law.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs. Your Committee received testimony in support of the intent of this measure from the Hawaii Medical Service Association.

Your Committee finds that the federal health care reform law, the Patient Protection and Affordable Care Act, includes a regulatory function for the states in exercising oversight of health insurers. Your Committee further finds that, while the Insurance Commissioner holds general authority to regulate the business of insurance in this State, it is a prudent course of action to specifically authorize the Insurance Commissioner to enforce the relevant provisions of the federal law so as to ensure compliance with the federal law and to preserve certainty in the duties of the Insurance Commissioner.

Your Committee has amended this measure by:

- (1) Adding a provision to apply to fraternal benefit societies subject to article 2 of chapter 432, Hawaii Revised Statutes; and
- (2) Clarifying that the Insurance Commissioner shall enforce the consumer protection and market regulation provisions of the Patient Protection and Affordable Care Act.

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. 1273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1273, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 472 (Majority) Commerce and Consumer Protection on S.B. No. 1279**

The purpose and intent of this measure is to amend the Insurance Code in order to comply with the requirements of federal law and to authorize the Insurance Commissioner to enter into a multistate compact to recoup taxes and fees from surplus lines insurers.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from National Association of Professional Surplus Lines Offices, Ltd.

Your Committee finds that this measure will enable the Insurance Commissioner to comply with the federal Nonadmitted and Reinsurance Reform Act of 2010 and participate on behalf of the Insurance Division, in the Surplus Lines Insurance Multistate Compliance Compact in order to regulate issuers of surplus lines insurance policies that cover risks in multiple states. Your Committee further finds that participation in the Multistate Compliance Compact is essential for the Insurance Division to be able to continue to collect premium taxes on multistate surplus lines policies which are deposited into the General Fund and presently represent \$10,000,000 annually. Your Committee notes that the Multistate Compliance Compact created pursuant to the federal Nonadmitted and Reinsurance Reform Act of 2010 is currently in the process of creation by the participating states. Therefore, your Committee anticipates that further legislation will be necessary in the future to enable the Insurance Commissioner to fully participate in the Multistate Compliance Compact once it is implemented in its final form.

Your Committee has amended this measure by:

- (1) Amending the definitions of “state” and “United States” in the Insurance Code to include the Northern Mariana Islands, to conform with federal law;
- (2) Substituting the term “insured” for “subject resident”, “surplus lines insurance” for “unauthorized insurance”, and “unauthorized insurer” for “nonadmitted insurer” to conform with the language used throughout the Insurance Code;
- (3) Specifying a quarterly reporting schedule for surplus lines brokers to report verified statements of all surplus lines insurance transacted;
- (4) Specifying a payment schedule for tax on surplus lines paid to the Director of Finance from a surplus lines broker during the transition period to the Multistate Compliance Compact and once the Insurance Commissioner’s participation in the Multistate Compliance Compact is fully effectuated;
- (5) Instructing the Insurance Commissioner to submit recommendations for further legislation to enable the Insurance Commissioner to participate fully in the Multistate Compliance Compact created pursuant to the Nonadmitted and Reinsurance Reform Act of 2010; and
- (6) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1279, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Slom). Excused, none.

**SCRep. 473 Judiciary and Labor on S.B. No. 4**

The purpose and intent of this measure is to close a loophole in the gambling laws that allows gaming machines in restaurants and other establishments by:

- (1) Eliminating free play, beginning on January 1, 2013, as a defense to the prohibitions on gambling in part III of chapter 712, Hawaii Revised Statutes; and
- (2) Amending the definition of “advancing gambling activity” to clarify that offering free play as an alternative to play via purchase does not render legal conduct that would otherwise constitute the illegal advancement of gambling under part III of chapter 712, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawai‘i Coalition Against Legalized Gambling and Hawaii Family Forum.

Your Committee finds that this measure is intended to address vending machines that dispense “sweepstakes” game cards, which have been operating for several years in a large number of bars, restaurants, convenience stores, and other retail establishments. These machines are intentionally manufactured to have payoffs similar to slot machines. These devices ostensibly sell high-priced phone cards, but their true purpose appears to be to let people play video games for a chance to win cash or prizes. However, because the machines offer an alternative method of entry or “no purchase necessary to play” option, there is some question as to whether what is essentially a slot machine can legally be played in our State. Your Committee believes that this measure will close this loophole in Hawaii’s gambling laws.

Your Committee has amended this measure by:

- (1) Adding definitions for “free play” and “pool” for clarification purposes;
- (2) Adding a savings clause;
- (3) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 4, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 474      Judiciary and Labor on S.B. No. 1533**

The purpose and intent of this measure is to clarify that peacocks are not “pests” for purposes of cruelty to animals in the second degree under section 711-1109(1)(c), Hawaii Revised Statutes.

Your Committee received comments on this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaiian Humane Society, and the Hawaii Island Humane Society.

Your Committee finds that the law regarding animal cruelty should be clarified. The references to pests and vermin within section 711-1109(1)(c), Hawaii Revised Statutes, are ambiguous in that a person charged with cruelty to animals in the second degree may essentially blame the “victim” by convincing a judge or jury that an animal’s behavior made it a pest within the meaning of the statute, thereby avoiding conviction. Nevertheless, your Committee agrees with the testimony submitted regarding this measure that it is unnecessary for the statute to be so specific as to list every animal that could be deemed a pest.

Your Committee has amended this measure by:

- (1) Replacing the existing reference to “vermin or other pests” in section 711-1109(1)(c), Hawaii Revised Statutes, with “rodents”;
- (2) Limiting the exception of “insects and rodents” in section 711-1109(1)(c), Hawaii Revised Statutes, by requiring that any insects or rodents are handled in accordance with standard and acceptable rodent control practices;
- (3) Deleting the specific references to peacocks;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1533, 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 (Ihara, Slom).

**SCRep. 475      Judiciary and Labor on S.B. No. 1025**

The purpose and intent of this measure is to protect firefighters and water safety officers engaged in the performance of their duties by increasing the penalties for assault on them to a class C felony.

Your Committee received testimony in support of this measure from the Chair of the State Fire Council and Fire Chief of the Honolulu Fire Department; the Hawai’i State Association of Counties; the Department of the Prosecuting Attorney of the City and County of Honolulu; the Department of Fire and Public Safety of the County of Maui; and four individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee finds that the intent of this measure is to protect firefighters and water safety officers from unnecessary harm from members of the public. Similar to law enforcement officers, emergency medical service personnel, nurses, and physicians, firefighters and water safety officers may find themselves in hostile and volatile situations, stemming from drug use by or domestic violence between members of the public. These volatile situations can erupt and place a firefighter or water safety officer in danger, even while the person is trying to continue to perform the person’s public safety function. Your Committee intends that the increased penalties for assault on these public employees will constitute sufficient deterrent to enable these employees to perform their important public safety responsibilities without risking physical injury from the members of the public.

Your Committee has amended this measure 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1025, 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 (Ihara, Slom).

**SCRep. 476 Education on S.B. No. 810**

The purpose and intent of this measure is to require the Department of Education to establish high school diploma requirements that will provide students with the knowledge and skills to prepare them for postsecondary education or training programs as well as careers that offer a living wage and opportunities for advancement.

Your Committee received testimony in support of this measure from the University of Hawaii system and the Hawaii P-20 Partnerships for Education (Hawaii P-20). Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Student Member of the Board of Education. Your Committee notes that attached to Hawaii P-20's testimony were copies of 25 letters from community members in support of a college and career readiness diploma that were submitted to the Board of Education at its July 2010 meeting.

Your Committee received testimony indicating that the full Board of Education has not addressed the issue of college and career readiness diplomas because there are concerns that:

- (1) A new diploma implies that current diplomas are inadequate;
- (2) Career and college readiness diplomas require an additional year of math which would take away one elective from students and would otherwise take away students' abilities to customize their education and remain engaged in school; and
- (3) There is already a shortage of qualified math teachers in the State.

Despite these concerns, your Committee finds that revised diploma requirements would help ensure that students establish a strong academic foundation for success in college and in the workplace. Your Committee further notes that the Department of Education would be responsible for developing and implementing the requirements, and should work to ensure that students are able to customize their education to reflect their career interests while fulfilling diploma requirements.

Your Committee has amended this measure by requiring the Department of Education to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012 on the effectiveness of the high school diploma requirements established pursuant to this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. 810, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. 810, 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 (Taniguchi).

**SCRep. 477 Education on S.B. No. 1282**

The purpose and intent of this measure is to repeal the administration of nationally norm-referenced testing in English and mathematics for certain grades.

Your Committee received testimony in support of this measure from the Department of Education. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee recognizes that many military impacted schools often use naturally norm-referenced tests like TerraNova to create an equal and fair basis of comparison between Department of Defense Education Activity schools. Your Committee finds that the recent adoption of the Common Core State Standards by the Board of Education will result in the development and implementation of a summative assessment in certain grades for English and mathematics. These assessment standards should be fully implemented by 2015; therefore, the administration of nationally norm-referenced tests will no longer be necessary after 2015.

Your Committee has amended this measure by:

- (1) Allowing the administration of nationally norm-referenced testing in English and mathematics for certain grades to be discretionary, rather than mandatory, until June 30, 2015; and
- (2) Repealing the administration of nationally norm-referenced testing on July 1, 2015.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1282, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 478 Human Services on S.B. No. 1342**

The purpose and intent of this measure is to allow disabled parking placards to be displayed on a vehicle's dashboard if the design of the vehicle's rearview mirror precludes secure hanging of the placard.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board and one individual. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that rearview mirrors may be designed in a way that precludes the hanging of a disabled parking placard in a secure fashion. Your Committee further finds that under those circumstances, being legally able to place a disabled parking placard on a vehicle's dashboard would benefit individuals with placards.

Your Committee has amended this measure by inserting language to clarify when a disabled parking placard shall be hung from a vehicle's front rearview mirror and when it may be displayed on a vehicle's dashboard.

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. 1342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1342, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 479 Human Services on S.B. No. 1360**

The purpose and intent of this measure is to specify that if a Community Care Foster Family Home is approved for a maximum of three clients, the primary caregiver must be a Certified Nurse Aide and the substitute caregiver must be a Nurse Aide.

Your Committee received testimony in support of this measure from Adult Foster Homecare Association of Hawaii; The Primary Care Providers; Alliance of Residential Care Administrators; Filipino Chamber of Commerce of Hawai'i; Lou's Quality Home Health Care Services, LLC; and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that requiring substitute caregivers to be licensed as Certified Nurse Aides or Nurse Aides results in better quality of care and safety for elderly and disabled residents of Community Care Foster Family Homes. Your Committee further finds that Certified Nurse Aides and Nurse Aides must attain a minimum level of education and meet certain coursework requirements. Certified Nurse Aides and Nurse Aides also must acquire continuing education every two years to ensure their skills are maintained at a satisfactory level.

Your Committee also finds that the licensing requirements under this measure will help to ensure that resident clients are receiving a minimum standard of care in Community Care Foster Family Homes.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1360, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 480 Human Services on S.B. No. 1361**

The purpose and intent of this measure is to amend the definition of Community Care Foster Family Home to require that a Community Care Foster Family Home be certified and in operation for a minimum of one year prior to being certified for a third client.

Your Committee received testimony in support of this measure from the Department of Human Services, Adult Foster Homecare Association of Hawaii, The Primary Care Providers, Filipino Chamber of Commerce of Hawai'i, and seventeen individuals.

Your Committee finds that adding a third client who is at the nursing facility level of care places increased demands on caregivers at Community Care Foster Family Homes. Your Committee further finds that requiring at least one year's experience of caring for two clients will provide the caregivers and the Department of Human Services the opportunity to determine whether caregivers of Community Care Foster Family Homes are able to adequately care for an additional adult without compromising quality of care to any of the clients. Your Committee also finds that this increase in standard is necessary to ensure quality of care and client safety.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1361, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 481 Human Services on S.B. No. 1417**

The purpose and intent of this measure is to reduce the number of members on the State Rehabilitation Council from twenty-one to fifteen.

Your Committee received testimony in support of this measure from the Department of Human Services and the State Rehabilitation Council. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Disability and Communication Access Board.

Your Committee finds that the State Rehabilitation Council is a mandated council under the federal Rehabilitation Act. Federal statute prescribes the composition of the council to include individuals with disabilities and representatives from consumer organizations of people with disabilities, service providers, business, and industry. The federal minimum number of required positions on the State Rehabilitation Council is fifteen.

Your Committee further finds that the State Rehabilitation Council has had difficulty in reaching quorum with the current number of members. Your Committee also finds that it is the belief of the State Rehabilitation Council that there would be a greater chance of achieving quorum with the more manageable federal minimum of fifteen members.

Your Committee has heard the concerns about whether it will still be possible to ensure that a majority of members are individuals with disabilities if there is a reduction in membership on the Council.

Accordingly, your Committee has amended this measure 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1417, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 482 Public Safety, Government Operations, and Military Affairs on S.B. No. 44**

The purpose and intent of this measure is to require the Department of Public Safety to develop performance indicators, including specified statistics, that accurately reflect progress toward specific goals, including:

- (1) Reducing the rate of recidivism;
- (2) Decreasing prisoner assaults on correctional staff;
- (3) Reducing correctional staff turnover; and
- (4) Improving departmental efficiencies in staffing, budgeting, and data management and analysis.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, ACLU of Hawai'i, The Drug Policy Forum of Hawai'i, The Libertarian Party, Hawai'i Women's Coalition, and four individuals. Your Committee received testimony in opposition to this measure from the Hawaii Paroling Authority.

Act 8, First Special Session Laws of Hawaii 2007 (Act 8), enacted the Community Safety Act, which was codified as chapter 353H, Hawaii Revised Statutes. The Community Safety Act established a comprehensive offender reentry system under the purview of the Department of Public Safety. Act 8 also required the Department of Public Safety to submit to the Legislature annual reports through 2010 relating to the implementation, progress, and effectiveness of the program components specified in Act 8.

Your Committee finds that while the Department of Public Safety's annual report lists program activities and statistics, it does not include information on program outcomes. Your Committee believes that performance indicators are an effective means of tracking the progress of the comprehensive reentry system.

Just as every business that wants to succeed sets some measurement or evaluation for positive outcomes, your Committee believes that tracking not only the programs, but also the success rate of participants will make it easier to gauge the success of and facilitate improvements and course corrections to its programs using performance indicators.

Your Committee has amended this measure by:

- (1) Consolidating specified existing reports, including the report using performance indicators, into one annual corrections and program report, at the recommendation of the Department of Public Safety;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 44, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 483 Public Safety, Government Operations, and Military Affairs on S.B. No. 48**

The purpose and intent of this measure is to authorize the Director of Public Safety to effect the transfer of a committed felon to any correctional facility located in this State, if the transfer is in the best interests of the State and the welfare of the committed felon will be best served by the transfer. This measure also includes criteria to be considered prior to making the decision to transfer.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, American Civil Liberties Union of Hawai'i, the Drug Policy Forum of Hawai'i, and seven individuals.

Your Committee finds that a rehabilitation program for incarcerated persons that includes regular family visits results in extensive benefits for an incarcerated person. The Department of Public Safety has been sending Hawaii inmates to Mainland prisons and transferring Hawaii inmates between in-state facilities at an increasing rate. Frequent transfers are of concern because they disrupt educational, vocational, treatment, and other programs that are integral to successful rehabilitation and reentry into society. This is particularly true of inmates detained in Mainland prisons.

Accordingly, your Committee has amended this measure by:

- (1) Prohibiting the transfer of inmates to the mainland if the inmate has twelve months or less to serve on a sentence before being eligible to be paroled; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 48, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 48, 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. 484 Public Safety, Government Operations, and Military Affairs on S.B. No. 49**

The purpose and intent of this measure is to require the Director of Public Safety to report any death of a correctional facility employee or inmate to the Senate President, Speaker of the House of Representatives, and legislative committee chairs having primary responsibility for public safety issues.

Your Committee received testimony in support of this measure from the Office Of Hawaiian Affairs, Community Alliance on Prisons, American Civil Liberties Union of Hawai'i, the Drug Policy Forum of Hawai'i, and four individuals. Your Committee received testimony in opposition to this measure from the Department of Public Safety.

Your Committee finds that since the Department of Public Safety is responsible for the well-being of incarcerated people, an incident as compelling as the death of an inmate or that of an employee warrants immediate reporting. This immediate notification would help to dispel rumors, inform anxious family members, and provide a communication link between what happens in a correctional facility and policy makers.

Your Committee has amended this measure by:

- (1) Extending the time limit on reporting a death from twenty-four hours to forty-eight hours in order to allow sufficient time to first inform the next-of-kin of the death; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 49, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 49, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 485 Public Safety, Government Operations, and Military Affairs on S.B. No. 1307**

The purpose and intent of this measure is to delete the President of the Hawaii Criminal Justice Association as a member of the panel that nominates the members to the Hawaii Paroling Authority.

Your Committee received testimony in support of this measure from the Department of Public Safety and the Hawaii Paroling Authority.

Your Committee finds that the Hawaii Criminal Justice Association has not been a functional organization for seven years, has no membership or president at this time, and is accordingly unable to properly function as part of the nominating panel.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1307, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 486 (Joint) Water, Land, and Housing and Hawaiian Affairs on S.B. No. 23**

The purpose and intent of this measure is to establish an 'Aha Kiole Advisory Commission within the Department of Land and Natural Resources to advise the Governor and the Legislature on all matters regarding the management of the State's land and natural resources.

Your Committees received testimony in support of this measure from the 'Aha Kiole Advisory Committee, the Association of Hawaiian Civic Clubs, the Ko'olaupoko Hawaiian Civic Club, and forty-six individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committees find that Hawaii's natural environment has experienced dramatic changes over the past two hundred years, including the over-development of the coastline, alteration of fresh water streams, destruction of the life-giving watersheds, decimation of the coral reefs, and the decline of endemic marine and terrestrial species. Your Committees further find that native Hawaiians accumulated a broad base of empirical knowledge and protocols to support their management of limited life-sustaining natural resources in their island home. Your Committees also find that current policies guiding state management of land and natural resources do not incorporate traditional knowledge and best practices that are based upon the indigenous resource management practices.

Your Committees find that the Western Pacific Regional Fishery Management Council, which oversees fisheries within the Western Pacific region including Hawaii, uses an ecosystem-based approach to fisheries management that recognizes indigenous resource management practices. Your Committees believe that this approach to resource management perpetuates important traditional knowledge and best practices that are essential to support the vulnerable fishery industry. As a consequence of these findings, your Committees further find that the approach of the Western Pacific Fishery Management Council provides a compelling example for our State.

The Legislature passed Act 212, Session Laws of Hawaii 2007, which created the 'Aha Kiole Advisory Committee to initiate a process to create a system of best practices that is based upon the indigenous resource management practice of moku (regional) boundary management. Your Committees find that the 'Aha Kiole Advisory Committee consulted with native Hawaiian communities and the general public, including lawai'a (fisherman), mahiai (farmers), environmentalists, educators, organizations, and agencies through six statewide public puwala (conferences), island puwala held on every island, and many public moku and ahupua'a meetings convened from 2007 through 2010. Accordingly, your Committees find that, at the community level, many organizations and individuals are willing and able to contribute knowledge and expertise to help support Hawaii's vulnerable natural resources.

After considering the testimony received, your Committees find it necessary to continue the work started with the establishment of the 'Aha Kiole Advisory Committee. Your Committees believe that this measure has the potential to positively alter resource management policy within the State of Hawaii, while establishing a framework through which community input and indigenous resource management concepts support state management of our land and natural resources.

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 Water, Land, and Housing and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 23, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 23, 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 (Dela Cruz, Ryan, Slom, Solomon). Noes, none. Excused, 3 (Fukunaga, Shimabukuro, Tokuda).

**SCRep. 487 (Majority) Energy and Environment on S.B. No. 132**

The purpose and intent of this measure is to prohibit the use of leaf blowers in an urban land use district for more than a specified amount of time per day per parcel of property.

Your Committee received testimony in support of this measure from Thomas Smyth, Downtown Neighborhood Board No. 13, City and County of Honolulu; Chris Dacus, Landscape Industry Council of Hawai'i; Bishop, Bishop's Landscaping Maintenance; Norman Allen; Valere McFarland; Linda Wong; Ann S. Freed; Gail Schaffer; Marcie; Michael Clare; Darla Thomas; Dianne Lee; James F. Merritt; Bob Kern; Karen Lucas; Mark Dougherty; Raymond Madigan; Henry Lau; Ruben Perez; Jan Mitchell; Narottam Bishop; Elizabeth Kamis; and Richard Kamis. Your Committee received testimony in opposition to this measure from Loretta Fuddy, Department of Health; William J. Aila, Jr., Department of Land and Natural Resources; Gary B. Cabato, City and County of Honolulu, Department of Parks and Recreation; Steven Connolly, Aloha Arborist Association; Wayne Hu, Eager Beavers LLC; Norman Wilhoite, Ohana Lawn Service; Matt Lyum, Performance Landscapes; Steve Newman, Da Kine Trim; Randy Liu, Starwood Hotels and Resorts, Waikiki; Mark Leon, Sunshine Landscapes; Lee McIntosh; and Cory Blumerick.

Your Committee finds that leaf blowers cause a great deal of noise that, over an extended period of time, becomes an extreme nuisance which is disruptive to many individuals' daily schedules and interferes with their quality of life. This measure aims to strike a balance between the use of leaf blowers and the needs of nearby individuals.

Your Committee has amended this measure by inserting a time period of fifteen minutes per one-quarter acre per parcel within which leaf blowers may be operated during certain days and certain times of day.

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. 132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 132, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Slom). Excused, 2 (English, Green).

**SCRep. 488 Energy and Environment on S.B. No. 1006**

The purpose and intent of this measure is to repeal the sunset date of June 30, 2011, for Act 126, Session Laws of Hawaii 2009, relating to revisions of certain state water quality standards. This measure would allow the Department of Health to continue using the United States Environmental Protection Agency's National Recommended Water Quality Criteria for the majority of the State's water quality standards in order to give the Department more time to revise its own standards.

Your Committee received testimony in support of this measure from Loretta Fuddy, Department of Health; Tim Steinberger, City and County of Honolulu, Department of Environmental Services; and Arvid Youngquist, The Mestizo Association. Your Committee received testimony in opposition to this measure from Robert Harris, Sierra Club, Hawai'i Chapter; and Carl Jellings.

Your Committee finds that the Department of Health needs more time to develop and revise the State's water quality standards. Your Committee further finds that the Department submitted standards to the United States Environmental Protection Agency that were in line with federal standards but were rejected due to the Agency's opinion that more stringent standards were necessary for certain toxins in Hawaii because the citizens of Hawaii allegedly consume a higher quantity of fish than the nation, on average. Your Committee also finds that the Department is currently conducting a survey to determine whether the Agency's opinion regarding fish

consumption in Hawaii is accurate and plans to use the data to determine how to proceed with its revision of water quality standards. Your Committee recognizes that the health of the citizens of Hawaii is of the utmost importance and that this measure needs to be further considered.

Accordingly, your Committee has amended this measure 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1006, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Green).

**SCRep. 489 (Joint) Energy and Environment and Agriculture and Water, Land, and Housing on S.B. No. 631**

The purpose and intent of this measure is to authorize renewable energy production as a permitted use on agricultural lands, whether or not agricultural activity is the primary activity of the renewable energy enterprise, and to allow solar energy facilities to be constructed on all classifications of agricultural lands.

Your Committees received testimony in support of this measure from Richard Lim, Department of Business, Economic Development, and Tourism; David Tanoue, City and County of Honolulu, Department of Planning and Permitting; and Castle and Cooke Hawai'i. Your Committees received testimony in opposition to this measure from Russell Kokubun, Department of Agriculture; Hawaii Farm Bureau Federation; Robert Harris, Sierra Club, Hawai'i Chapter; Devin Bennett, Hawaii Pacific University Green Club; Anthony Aalto; Brian Bell; Bobby McClintock; Jane Yamashiro; Scott Hamilton; Marjorie Erway; Rick Warshauer; and Janice Palma-Glennie. Your Committees received comments on this measure from David Louie, Department of the Attorney General; the Office of Hawaiian Affairs; and Mary Lou Kobayashi, Department of Business, Economic Development, and Tourism, Office of Planning.

Your Committees find that the development of renewable energy in Hawaii is vital to the energy security and the energy independence of the State. Your Committees further find that allowing renewable energy facilities within the agricultural district furthers and is consistent with the purposes, standards, and criteria for uses within agricultural lands. Renewable energy facilities increase the State's energy self sufficiency and agricultural sustainability.

Your Committees recognize, however, that although renewable energy production is desirable and consistent with the purposes of agricultural land, the construction of renewable energy facilities on agricultural land should be limited to a certain extent in order to balance the need for energy security with the need for food security.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that solar energy facilities are only permitted on agricultural lands with a productivity rating of B, C, D, or E and are not permitted on Important Agricultural Lands;
- (2) Specifying further that solar energy facilities located on agricultural lands with a productivity rating of B or C shall occupy no more than ten percent of the acreage of the parcel;
- (3) Deleting section 3 of the measure in order to preserve current statutory language regarding the use of certain agricultural lands for agricultural-energy facilities; and
- (4) Amending the purpose section accordingly.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Agriculture and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 631, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 631, 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, 7 (Chun Oakland, English, Fukunaga, Green, Solomon, Tokuda, Wakai).

**SCRep. 490 (Joint/Majority) Energy and Environment and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.B. No. 181**

The purpose and intent of this measure is to require that new single-family residential construction incorporates design elements and equipment installation at the time of construction to facilitate the future adoption of photovoltaic systems.

Your Committees received testimony in support of this measure from Richard C. Lim, Department of Business, Economic Development, and Tourism; Mark Duda, Hawaii Solar Energy Association; Robert Harris, Sierra Club, Hawai'i Chapter; Jeff Mikulina, Blue Planet Foundation; Barbara Angelo; and Brian Bell.

Your Committees find that the installation of photovoltaic systems on existing homes can be hindered by design features that were incorporated at the time of initial construction of the homes. This measure will facilitate widespread adoption of photovoltaic systems in the future and optimize future gains from solar technology adoption which will result in reduced energy demand on the grid, reduced greenhouse gas emissions, and reduced dependency on imported fossil fuels.

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 Energy and Environment and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the

intent and purpose of S.B. No. 181, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 181, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Fukunaga, Shimabukuro).

**SCRep. 491 (Joint) Energy and Environment and Health on S.B. No. 1295**

The purpose and intent of this measure is to remove the requirement that the Department of Health adopt rules by the end of 2011 to implement a greenhouse gas reduction plan as the requirement and deadline are no longer relevant due to the United States Environmental Protection Agency's ongoing adoption of regulations. The amendments proposed by this measure will allow the Department to adopt applicable rules at the proper time.

Your Committees received testimony in support of this measure from Loretta Fuddy, Department of Health; and Mary Guinger. Your Committees received testimony in opposition to this measure from Robert Harris, Sierra Club, Hawai'i Chapter; The Nature Conservancy of Hawai'i; Jeff Mikulina, Blue Planet Foundation; Nancy Davlantes; Byron Baker; and Carolyn Knoll.

Your Committees find that pursuant to Act 234, Session Laws of Hawaii 2007, the Director of Health is required to adopt rules based upon recommendations of a work plan developed by the Greenhouse Gas Emission Reduction Task Force. However, the Task Force's final report and work plan to the Legislature did not specify a regulatory air pollution control scheme for the Department of Health to adopt, and the mandates in the Hawaii Clean Energy Initiative will, in and of themselves, reduce greenhouse gas emissions. Your Committees further find that the United States Environmental Protection Agency continues to adopt new regulations regarding greenhouse gases and that the Task Force recognized the need to coordinate state efforts with ongoing United States Environmental Protection Agency developments. Therefore, the original intent of this measure was to give the Department the flexibility to adopt rules at an appropriate time.

Your Committees recognize, however, that it is likely that developments in the Environmental Protection Agency regarding greenhouse gases will be stymied by the current Congress. Your Committees further recognize that the Task Force was unable to fulfill all of its duties due to the fact that only half of the monies appropriated to it were released, and that although the goals of the Hawaii Clean Energy Initiative will contribute to a reduction in greenhouse gas emissions, there needs to be additional assurances that emission reduction targets are met.

Accordingly, your Committees have amended this measure by:

- (1) Reinstating a deadline, June 30, 2012, by which the Director of Health shall adopt rules to:
  - (A) Establish greenhouse gas emission limits and reduction measures; and
  - (B) Require, beginning July 1, 2012, reporting and verification of greenhouse gas emissions;
- (2) Reinstating a date, July 1, 2012, after which the Director of Health may revise the adopted rules;
- (3) Amending the purpose section accordingly; and
- (4) 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 Energy and Environment and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1295, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1295, 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, English, Shimabukuro, Wakai).

**SCRep. 492 Ways and Means on S.B. No. 754**

The purpose and intent of this measure is to amend the priority of distribution for partial tax payments.

Specifically, the measure changes the priority of distribution for partial tax payments from being credited first to interest, then penalties, and finally to principal, to principal first, then penalties, then interest.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that a 2010 small business working group recommended amending the distribution of partial payment of taxes to principal first, then penalties, then interest. This measure will support the findings of the working group and help taxpayers who are only able to make partial tax payments to make headway in fulfilling their total tax obligation to the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2013, to provide sufficient time for the Department of Taxation to implement the changes; and
- (2) Making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 754, 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, 3 (English, Espero, Kouchi).

**SCRep. 493 Economic Development and Technology on S.B. No. 758**

The purpose and intent of this measure is to extend the use of Hawaii Compliance Express for small business vendors, affording them the same savings of time and money in the contracting process.

Your Committee received testimony in support of this measure from the State Procurement Office, The Hawaii Business League, and one individual.

Your Committee finds that Hawaii Compliance Express has worked very well for those vendors required to use this system, expediting the award process for the vendor and for the government entity awarding the contract. The State Procurement Office has testified, however, that requiring Hawaii Compliance Express for government entities doing business with small businesses—and for very small amounts—may result in delays to acquire these goods or services until the compliance requirement is verified. As a result, government entities may prefer purchasing from larger companies that consistently utilize Hawaii Compliance Express, to the detriment of Hawaii's small businesses.

Your Committee has amended this measure to clarify that it shall apply to awards of \$2,500 or greater for procurements made through the small purchases provisions of chapter 103D-305, 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 is in accord with the intent and purpose of S.B. No. 758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 758, 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 (Baker, Solomon).

**SCRep. 494 Commerce and Consumer Protection on S.B. No. 646**

The purpose and intent of this measure is to require every person subject to licensure as a mortgage loan originator to include the person's unique identifier on every document submitted to an escrow depository in a real estate transaction and to require escrow depositories to report invalid unique identifiers to the Commissioner of Financial Institutions.

Your Committee received testimony in support of this measure from Hawaii Mortgage Company, Inc. Your Committee received testimony in opposition to this measure from the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs and Title Guarantee Escrow Services, Inc.

Your Committee finds that this measure allows the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to be proactive in its enforcement of the Secure and Fair Enforcement of Mortgage Licensing Act (SAFE Act), chapter 454F, Hawaii Revised Statutes. Your Committee notes that the Division of Financial Institutions' enforcement powers under the SAFE Act are currently dependent on the filing of a complaint which triggers an investigation into purported violations. Your Committee finds that this measure clarifies the ability of the Division of Financial Institutions to take immediate action against a person who violates the SAFE Act before harm to a consumer occurs. Finally, your Committee notes that this measure, as amended, is a product of collaboration among the stakeholders on this issue. Your Committee acknowledges that the parties have not yet been able to come to full agreement on this measure. However, your Committee encourages the parties to continue their discussions throughout the legislative process in order to reach consensus on this important measure.

Your Committee has amended this measure by:

- (1) Clarifying that a licensee under chapter 454F, Hawaii Revised Statutes, shall include the licensee's unique identifier on all residential mortgage loan applications submitted to an escrow depository;
- (2) Clarifying that the reporting requirements of this measure apply to escrow depositories licensed pursuant to chapter 449, Hawaii Revised Statutes;
- (3) Specifying that the grounds for revocation or suspension of a license issued pursuant to chapter 449, Hawaii Revised Statutes, include the knowing failure to verify a unique identifier included on a residential mortgage loan application or to report an invalid unique identifier;
- (4) Specifying that the Commissioner of Financial Institutions' authority to enforce chapter 449, Hawaii Revised Statutes, includes the authority to issue orders and directives to cease doing business, cease specified activities, or any other affirmative action that the Commissioner of Financial Institutions deems necessary; and
- (5) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 646, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Nishihara, Solomon).

**SCRep. 495 Commerce and Consumer Protection on S.B. No. 975**

The purpose and intent of this measure is to require a real estate appraiser to comply with the Uniform Standards of Professional Appraisal Practice when acting as an appraiser or arbitrator in an arbitration proceeding.

Your Committee received testimony in support of this measure from MK Real Estate Services, LLC; JN Group, Inc.; Sony Hawaii; Bacon Universal Company, Inc.; McCully Works; Kakilepo, LLC; Citizens for Fair Valuation; Central Park Community Association; Mutual Plumbing Supply; and six private citizens. Your Committee received testimony in opposition to this measure from the

Department of Commerce and Consumer Affairs; the Department of Land and Natural Resources; and the Hawaii Chapter of the Appraisal Institute.

Your Committee finds that licensed real estate appraisers often serve as arbitrators in proceedings to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate. Your Committee also finds that real estate appraisers often provide appraisal services in connection with arbitration proceedings to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate. Whether acting in the capacity of arbitrator or appraiser in these proceedings, licensed real estate appraisers use their professional skills and substantive knowledge to make judgments on the value of real estate. Therefore, your Committee finds that appraisers should adhere to the same professional ethical standards regardless of the capacity in which they act.

Your Committee notes that this measure is similar to Senate Bill No. 771, S.D. 1, H.D. 1, passed in the 2010 Regular Session and vetoed by the former Governor. Finally, your Committee finds that the small business protections contained in Senate Bill No. 771, S.D. 1, H.D. 1, (2010) and this measure remain as critical today as they were the first time the Legislature considered them.

Your Committee has amended this measure by:

- (1) Adding a new section to chapter 466K, Hawaii Revised Statutes, to define the terms “arbitrator” and “uniform standards of professional appraisal practice”;
- (2) Adding a new section to chapter 466K, Hawaii Revised Statutes, to specify that real estate appraisers acting as arbitrators shall be subject to the Uniform Standards of Professional Appraisal Practice; and
- (3) Amending section 466K-4, Hawaii Revised Statutes, to specify that appraisers who perform appraisals in connection with arbitration proceedings shall be subject to the Uniform Standards of Professional Appraisal Practice.

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. 975, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 975, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Nishihara, Solomon).

**SCRep. 496 Commerce and Consumer Protection on S.B. No. 1483**

The purpose and intent of this measure is to allow the association of a condominium that contains time share units to substitute the name and address of the time share association for the names and addresses of individual time share owners in the records that the condominium association is required to maintain.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners; the Hawaii Chapter of the Community Associations Institute; Consolidated Resorts Management, LLC; Trading Places International; Aston Hotels and Resorts; Management Information Consultants; and two private individuals. Your Committee received testimony in opposition to this measure from UNITE HERE, Local 5.

Your Committee finds that excluding the names and addresses of individual fractional owners in time share properties from the lists of owners required to be maintained by a condominium association codifies the current practice by most condominium associations. Your Committee further finds that allowing the listing of a time share association in place of the individual fractional owners is sufficient to ensure that individual time share owners receive any important communications from the condominium association, since the time share association is able to pass on communications received from the condominium association.

Your Committee acknowledges that the testimony received in opposition to this measure raised some important points regarding the rights of time share owners in relation to developers or owners of condominium projects. However, your Committee notes that this measure does not involve those matters nor does it amend the laws governing time shares. Rather, it merely clarifies a statute governing required records of condominium associations.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1483, 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 (Slom).

**SCRep. 497 Commerce and Consumer Protection on S.B. No. 1278**

The purpose and intent of this measure is to protect insurance consumers, particularly seniors, from abusive practices by adopting model regulations from the National Association of Insurance Commissioners in compliance with the senior investment protection provisions of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs, and the National Association of Insurance and Financial Advisors Hawaii. Your Committee received testimony in support of the intent of this measure from the American Council of Life Insurers.

Your Committee finds that adoption of this measure will bring Hawaii’s laws into conformity with the requirements of federal law, thereby enabling the Insurance Division of the Department of Commerce and Consumer Affairs to apply for federal grants to fund activities that protect seniors from misleading or fraudulent marketing in the sale of financial products. Your Committee further finds that there is a real and present need for the protections included in this measure, since the Insurance Division reports the continuing

receipt of complaints from consumers, particularly seniors, about abusive or misleading practices in the sale and marketing of annuities. Finally, your Committee finds that this measure allocates the bulk of the training and compliance responsibilities to insurers, thereby preserving the Insurance Division's current regulatory and oversight functions without requiring new expenditures of State resources.

Your Committee has amended this measure by:

- (1) Amending the definition of "annuity" to conform with the language of the National Association of Insurance Commissioners model act;
- (2) Deferring the implementation date of new requirements for insurers contained in this measure to January 1, 2012, to allow insurers adequate time to comply with this 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1278, 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 (Galuteria, Slom).

**SCRep. 498 Commerce and Consumer Protection on S.B. No. 1484**

The purpose and intent of this measure is to exempt from the Insurance Code associations organized before 1880 with membership consisting solely of active, retired, or honorably discharged members of the United States Armed Forces and their families and that provide specified benefits to members and their dependents or beneficiaries.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs and the Navy Mutual Aid Association.

Your Committee finds that benefit societies that are the subject of this measure pre-date the enactment of fraternal benefit society laws and are organized for the narrow purpose of providing specified benefits to military members, veterans, and their families. Your Committee further finds that these associations do not operate as commercial insurance providers and, therefore, should be exempted from the provisions of the Insurance Code. Finally, your Committee finds that these societies are not included in the current statutory exemptions to the Insurance Code that apply to similar entities.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1484, 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 (Galuteria, Slom).

**SCRep. 499 Commerce and Consumer Protection on S.B. No. 1190**

The purpose and intent of this measure is to require a reviewer of records of medical treatment for personal injury covered by a motor vehicle insurance policy to be of the same medical specialty as the treatment provider and to make documentation of the record review available to the injured person upon request.

Your Committee received testimony in support of this measure from the Hawaii Chapter American Physical Therapy Association and Hawaii Association for Justice. Your Committee received testimony in opposition to this measure from GEICO. Your Committee received comments on this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs.

Your Committee finds that motor vehicle insurers sometimes substitute record reviews for independent medical examinations in verifying the appropriateness of medical care provided for injuries covered by a motor vehicle insurance policy. Your Committee finds that an accurate review and assessment depends on sufficient knowledge of the reviewer, particularly knowledge of treatment protocols for services provided by a medical specialist. Your Committee acknowledges that there is a shortage of medical specialists in this State, particularly on the neighbor islands. Therefore, your Committee finds that record reviews of medical treatment provided under a policy of motor vehicle insurance shall be provided by a medical provider who, while not necessarily a member of the same specialty as the provider of treatment at issue, possesses sufficient clinical and practical expertise to accurately evaluate the treatment provided.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the record reviewer shall be of the same specialty as the treatment provider;
- (2) Specifying that the record reviewer shall possess sufficient professional training, credentials, and experience in treating the type of injury at issue to competently evaluate the specific treatment that is the subject of the record review; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1190, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 500 Commerce and Consumer Protection on S.B. No. 1349**

The purpose and intent of this measure is to authorize Hawaii nonprofit corporations to use electronic communications technologies to permit member actions by ballot, conduct voting, provide notice, and conduct meetings.

Your Committee received testimony in support of this measure from the Commissioner of Securities for the Business Registration Division of the Department of Commerce and Consumer Affairs, the Department of the Attorney General, the University of Hawai'i Professional Assembly, the Hawai'i Alliance of Nonprofit Organizations, Aloha Society of Association Executives, and E Kupaku Ka 'Aina—The Hawai'i Land Restoration Institute.

Your Committee finds that this measure allows nonprofit corporations to take advantage of communications technologies that are readily accessible to organizations and individuals to improve efficiency in the conduct of business. Your Committee further finds that, while the current law does not specifically prohibit the use of these technologies, this measure provides clarity and ensures that nonprofit corporations may be confident that their operations are in conformity with the law. Finally, your Committee finds that this measure will provide members of nonprofit organizations, particularly those on neighbor islands, with greater opportunities for timely and meaningful participation in their organizations. Your Committee notes that testimony received from all stakeholders, including the regulatory entities, expressed strong support for this measure.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1349, 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, Solomon, Slom).

**SCRep. 501 Commerce and Consumer Protection on S.B. No. 1347**

The purpose and intent of this measure is to allow public utilities to submit rate filings electronically to the Public Utilities Commission.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Hawaiian Telcom. Your Committee received testimony in opposition to this measure from the Public Utilities Commission of the Department of Budget and Finance.

Your Committee finds that accepting electronic documents will allow the Public Utilities Commission (Commission) to function more efficiently, particularly in posting information on the Commission's website. Your Committee further finds that this measure will increase transparency in the Commission's functions by reducing delays between the Commission's receipt of documents and updates to its website to reflect the current status of the Commission's actions. Your Committee also finds that the actions of the Public Utilities Commission impact the public interest, not only in rate filings, but also in decisions on applications and other matters. Therefore, your Committee finds that it is appropriate to allow for the electronic submission of all filings and applications to the Commission.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provision authorizing electronic rate filing; and
- (2) Adding three new provisions that:
  - (A) Require the Commission to accept electronically submitted documents for all filings and applications under chapters 269, 271, and 271G, Hawaii Revised Statutes;
  - (B) Authorize the Commission to charge an electronic document surcharge for each electronic submission;
  - (C) Direct the Commission to accept electronic documents through at least one identified means no later than January 1, 2012, notwithstanding generally applicable rule-making requirements; and
  - (D) Direct the Commission to adopt rules pursuant to chapter 91 governing the submission of electronic documents.

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. 1347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1347, 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 (Galuteria, Slom).

**SCRep. 502 (Joint) Education and Health on S.B. No. 922**

The purpose and intent of this measure is to:

- (1) Specify additional elements of Hawaii's existing sexuality health education law and its implementation;
- (2) Require the Department of Education to provide certain types of information about sexuality health education to the public and parents; and



- (3) Allows parents to opt out of their children receiving sexuality health education at school.

Your Committees received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii Youth Services Network, Planned Parenthood of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawai'i, Hawai'i Women's Coalition, the American Civil Liberties Union of Hawai'i, Hawaii Right to Life, a member of the Board of Education, and sixteen individuals. Your Committees received testimony in opposition to this measure from the Department of Education, the Department of Health, Hawaii Family Forum, Pro-Family Hawaii, and one individual. Your Committees received comments on this measure from two individuals.

Your Committees find that sexuality health education promotes healthy attitudes on growth and development, body image, gender and sexuality, dating, relationships, and family. This measure will bolster the effectiveness of sexuality health education in the public schools and give students the information and tools they need to make good decisions to keep themselves safe and healthy.

Your Committees have amended this measure by:

- (1) Specifying that intermediate and middle schools shall also provide sexuality health education to students;
- (2) Removing the Department of Health's involvement in the sexuality health education related duties proposed under this measure and making the Department of Education solely responsible for these duties; and
- (3) Specifying that the provision of sexuality health education under this measure shall be implemented beginning with the 2013-2014 school year to allow the Department of Education to phase in implementation over a two-year period.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 922, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 922, 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, 2 (Shimabukuro, Slom).

**SCRep. 503      Judiciary and Labor on S.B. No. 1067**

The purpose and intent of this measure is to:

- (1) Clarify that adult probation records may be released to mental health service providers who are licensed by the State or nationally accredited for the purpose of therapy or rehabilitation; and
- (2) Establish procedures to protect against improper divulging of confidential information.

Your Committee received testimony in support of this measure from the Judiciary; Domestic Violence Action Center; the Hawaii Substance Abuse Coalition; Hina Mauka Treatment Center; and Ku Aloha Ola Mau. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee finds that this measure will allow access by a substance abuse service provider to the results of an offender's risk/need profile as part of the provider's determination of the offender's admission into a treatment program. The Judiciary's Adult Client Services Branches currently conduct two assessments of offender attributes and their situations relevant to level of supervision and treatment decisions. The results of these assessments provide a risk score that translates into a recidivism risk category of surveillance, high, medium, or low risk for offender recidivism. The assessments additionally provide information on criminogenic need – target areas that, if addressed, may improve an offender's ability to remain risk free.

An offender's risk level and needs assessment are used to determine the type of program that best addresses an offender's needs. Research shows that intensive supervision programs and correctional involvement have a greater effect in reducing recidivism in high risk, compared to low risk, offenders. For example, recidivism in low risk offenders may increase if exposed to augmented supervision. The assessments provide invaluable information regarding the type of offender behavior that should be targeted and how best to deliver services to an offender. Ideally, appropriate interventions match the cognitive style and ability of the offender.

Currently, an offender's risk information is not provided to a service provider until after an offender is admitted to a program. However, offender risk information is needed to avoid mixing high risk offenders with low risk offenders. Because not all service providers provide high risk offender treatment, the information is needed to match offenders with the most appropriate programs. Not having this risk information prior to admission means that a high risk offender who is admitted to a low-risk program may be dismissed from the program. Additionally, the treatment plan developed for the offender may not address certain risk factors such that the offender does not receive programmed approaches that could have helped the offender cope with risk tendencies such as aggression and dominance.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1067, 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 (Gabbard).

**SCRep. 504      Judiciary and Labor on S.B. No. 1041**

The purpose and intent of this measure is to protect owners of range land from the effects of trespassing crimes by creating a rebuttable presumption that an owner of range land owes no duty of care toward a trespasser for injury, property damage, or death that occurs on the range land, provided that the land is enclosed, and has signage indicating that the property is private property, and the range land owner is not grossly negligent and does not intentionally cause the injury, property damage, or death.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation and the Hawaii Cattlemen's Council, Inc. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committee finds that trespassing crimes are a serious problem to cattle ranchers and the producers of other agricultural commodities across the State. Trespassers use private property without permission for hiking, hunting, dirt biking, and sometimes illegal activities. While these trespassers are on ranch land without permission, they can injure themselves then sue the ranch land owners. Your Committee further finds that it is unreasonable to require owners of ranch land to make safe their land for trespassers.

Your Committee notes that there is another measure, S.B. No. 1079, that has been referred to your Committee and also relates to agricultural and ranch land owner liability to trespassers. S.B. No. 1079 overlaps somewhat with this measure as received by your Committee on Judiciary and Labor. Your Committee expects that this measure as received and S.B. No. 1079 will be merged by subsequent committees in an effort to establish a consistent objective to resolving the issues in this measure.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1041, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Gabbard).

**SCRep. 505      Judiciary and Labor on S.B. No. 1054**

The purpose and intent of this measure is to streamline the process of obtaining a temporary restraining order (TRO) against harassment and domestic abuse by allowing a TRO to be issued upon the submission of oral sworn testimony or complaint to a judge by electronic means.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Ala Kuola, and one individual. Your Committee received testimony in opposition to this measure from the Office of the Public Defender and the Family Law Section of the Hawaii State Bar Association. Your Committee received comments on this measure from the Judiciary and the Domestic Violence Action Center.

Your Committee finds that this measure is intended to streamline and improve the current process and timeline for obtaining a TRO. The inconvenience of having to access the limited number of court locations and hours that currently provide access to the TRO process means that the most commonly used legal tool for protection from domestic abuse is often delayed from helping as quickly as it could. Additionally, there are concerns in many areas of the neighbor islands and parts of rural Oahu that the geographic distances from court locations contribute significantly to the lack of access for many rural, low-income communities.

Although the Supreme Court has attempted to address some of these problems through a 2007 pilot project for the filing of TROs via facsimile in Maui County, the result is a piecemeal process, where different judicial circuits have different rules for electronic or facsimile filing. Your Committee believes that while the Judiciary acknowledges the logistical difficulties for obtaining TROs, the Judiciary has not adequately used its power under article VI, section 7, of the Hawaii State Constitution, which vests the Supreme Court with the "power to promulgate rules and regulations in all civil and criminal cases for all courts relating to process, practice, procedure, and appeals, which shall have the force and effect of law." Accordingly, although the Judiciary has the power to streamline the process and has exercised it in an extremely limited manner, the TRO process still poses a barrier to effective protection for vulnerable individuals in many rural, low-income communities.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1054, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1054, 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 (Gabbard).

**SCRep. 506      Commerce and Consumer Protection on S.B. No. 750**

The purpose and intent of this measure is to permit members of a condominium association to make video recordings of association meetings for personal use.

Your Committee received testimony in support of this measure from four private individuals. Your Committee received testimony in opposition to this measure from Management Information Consultants; Ewa by Gentry; Hawaii First, Inc.; and two private

individuals. Your Committee received comments on this measure from the Hawaii Council of Associations of Apartment Owners, the Hawai'i Legislative Action Committee of the Community Associations Institute, and the AOA Mauna Luan, Inc.

Your Committee finds that allowing audio recordings of the meetings of condominium associations and its boards of directors will increase transparency and encourage participation by members in the governance of condominium associations. While your Committee acknowledges the privacy issues surrounding video recordings, which were raised by several testifiers on this measure, your Committee finds that allowing only audio recordings will mitigate many of those concerns. Your Committee further finds that this measure preserves the self-governance of condominium associations as it allows audio recordings of meetings only where recordings are not prohibited by the bylaws of an association. Finally, your Committee finds that while this measure remains a work in progress, it does have merit and should advance through the legislative process. Your Committee encourages the stakeholders in this issue to work together to develop a consensus solution that preserves this measure's goal of increasing transparency and opportunities for association members to participate in association matters while also considering issues of privacy.

Your Committee has amended this measure by:

- (1) Clarifying that members may make only audio recordings of meetings;
- (2) Specifying that an audio recording made by the board of directors of an association shall be the official audio record of the meeting and shall be made available upon request to a member for the personal use of the member only;
- (3) Inserting an effective date of July 1, 2050, to allow for 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 750, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nishihara, Solomon).

**SCRep. 507 (Joint) Energy and Environment and Economic Development and Technology on S.B. No. 1493**

The purpose and intent of this measure is to require every new and replacement outdoor light fixture, whether commercial or residential, to be fully shielded, with certain exceptions.

Your Committees received testimony in support of this measure from Richard Wainscoat, University of Hawai'i System; Richard Wainscoat, Starlight Reserve Committee; Bob Parks, International Dark-Sky Association; Robert Harris, Sierra Club, Hawai'i Chapter; Natalie Iwasa; and Dr. David Crawford. Your Committees received testimony in opposition to this measure from the Department of Transportation. Your Committees received comments on this measure from Richard Lim, Department of Business, Economic Development, and Tourism; William J. Aila, Jr., Department of Land and Natural Resources; Collins Lam, City and County of Honolulu, Department of Design and Construction; Karen Nakamura, Building Industry Association of Hawaii; and C. Mike Kido, The Pacific Resource Partnership.

Your Committees find that the night sky is a valuable natural and cultural resource for the State. Your Committees also find that the dark night sky has tremendous scientific value for astronomy and is of vital importance for endangered species including birds and turtles. Your Committees further find that unnecessary light pollution is threatening the dark night sky over the entire State and that much of this light pollution is caused by improperly shielded lights. Act 161, Session Laws of Hawaii 2009, formed a temporary advisory committee to assist in the development of a statewide starlight reserve strategy to preserve the quality of the night sky and its associated values. This measure is intended to implement the recommendations of that temporary advisory committee.

This measure provides an exemption for light sources of three thousand lumens or less, approximately the brightness of a one hundred fifty watt incandescent bulb, which exempts most outdoor residential lighting in the State. Your Committees recognize that in addition to the exemption for light sources of three thousand lumens or less, there are other practical issues and exemptions that need to be considered in the implementation of this measure.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the qualifying term "whether commercial or residential" to make the provisions of the measure applicable to government lighting as well;
- (2) Inserting language to provide an exemption for outdoor athletic lighting, such as lighting at ballparks, under certain conditions;
- (3) Inserting language to provide an exemption for night-time film production activity;
- (4) Deferring the implementation of this measure to July 1, 2013; and
- (5) 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 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 S.B. No. 1493, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1493, 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, 4 (Baker, English, Green, Solomon).

**SCRep. 508 (Joint) Education and Commerce and Consumer Protection on S.B. No. 675**

The purpose and intent of this measure is to repeal section 309-1.5, Hawaii Revised Statutes, which establishes a not-for-profit corporation to acquire certain educational loan notes.

Your Committees received testimony in support of this measure from USA Funds, the parent company of Secondary Market Services Corp. — Hawaii; American Savings Bank; the Travel Institute of the Pacific; and Hawaii Pacific University.

Your Committees find that the purpose for which Secondary Market Services Corp. — Hawaii was created under section 309-1.5, Hawaii Revised Statutes, expired with the enactment of the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152). As such, the need for a student loan secondary market in Hawaii has been eliminated. Your Committees further find that repealing section 309-1.5, Hawaii Revised Statutes, will permit Secondary Market Services Corp. — Hawaii to use its financial assets to continue to support higher education through educational and charitable activities, such as providing scholarship and grants.

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 Education 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. 675, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 675, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Green, Kidani, Nishihara).

**SCRep. 509 Commerce and Consumer Protection on S.B. No. 690**

The purpose and intent of this measure is to specify that a landlord and tenant in a rental agreement may agree that duly apportioned rent shall be due at intervals more frequently than monthly.

Your Committee received comments on this measure from the Hawai'i Association of REALTORS.

Your Committee finds that this measure clarifies the existing law to specify that parties to a residential rental transaction may agree to payment of rent at intervals more frequently than monthly. Your Committee notes that existing law implicitly allows agreements of this type. However, your Committee finds that by explicitly enabling those agreements this measure assists renters who may have irregular income streams, such as those who work in the hospitality industry and derive a large portion of their income from tips, and who may find it easier to make several small payments rather than one large rental payment each month. Finally, your Committee finds that this measure benefits landlords and tenants by helping to ensure that renters are able to establish a payment schedule that allows them to remain current on their rent payments.

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. 690 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 510 Economic Development and Technology on S.B. No. 81**

The purpose and intent of this measure is to extend the termination date of the temporary advisory committee relating to the statewide starlight reserve strategy from June 30, 2011, to June 30, 2013.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Department of Transportation; University of Hawai'i System; the Chair of the Hawaii Starlight Reserve Committee; and one individual. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the Starlight Reserve Committee was originally scheduled to convene in July of 2009, but due to revenue shortfalls, the implementation of new state boards, commissions, and committees was deferred until the summer of the following year. Consequently, there has not been adequate time for the Starlight Reserve Committee to analyze the current status of county, state, and federal lighting policies and ordinances, or to develop an effective and sustainable starlight reserve strategy based upon this analysis.

Your Committee is in support of the proposed two-year extension, and taking a measured approach for review and analysis, as recommended by the Starlight Reserve Committee.

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. 81 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, Solomon).

**SCRep. 511 Public Safety, Government Operations, and Military Affairs on S.B. No. 676**

The purpose and intent of this measure is to add the Federal Bureau of Investigation and the United States Immigration and Customs Enforcement to, and delete Citizenship and Immigration Services from, the list of federal agencies whose officers may make arrests for certain offenses under state law. This measure also adds the proper titles of the heads of the district offices for the listed federal agencies.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Testimony on this measure indicates that the United States Immigration and Customs Enforcement is the largest investigative branch of the Department of Homeland Security, and its special agents and officers are law enforcement officers who are authorized to carry weapons and make arrests.

Your Committee finds that the United States Immigration and Customs Enforcement and the Federal Bureau of Investigation will be able to provide much needed support to state and county law enforcement efforts.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 676 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 512 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.B. No. 767**

The purpose and intent of this measure is to support the findings of the Small Business Working Group and the recommendations proposed by the construction Industry Task Force to provide temporary relief from county requirements for affordable and workforce housing to stimulate housing construction statewide. Specifically, this measure reduces the county affordable and workforce housing requirements by forty percent.

Your Committees received testimony in opposition to this measure from the Department of Planning and Permitting of the City and County of Honolulu, and two individuals.

Your Committees find that legislative action is necessary to create new jobs in Hawaii's construction industry. The intent of your Committees is that by reducing the affordable and workforce housing requirements, developers would have more incentive to build needed housing in general. The increased housing construction benefits the economy, increases employment, and augments tax revenue.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 767 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Kidani, Shimabukuro, Tokuda, Slom).

**SCRep. 513 Human Services on S.B. No. 923**

The purpose and intent of this measure is to extend the term of office of the members of the State Commission on Fatherhood from two years to four years and limits the number of terms that each member may serve.

Your Committee received testimony in support of this measure from the State Commission on Fatherhood.

Your Committee finds that participation in monthly State Commission on Fatherhood meetings has been severely inhibited by the present two-year term limits. The State Commission on Fatherhood has also found it difficult to make timely voting-member replacement appointments. Your Committee further finds that increasing the term of office for State Commission on Fatherhood members will provide for institutional knowledge and continuity, and will help facilitate the functioning 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 is in accord with the intent and purpose of S.B. No. 923 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 514 (Joint/Majority) Human Services and Ways and Means on S.B. No. 1292**

The purpose and intent of this measure is to make an emergency appropriation to address a funding shortfall in the Medicaid program.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Medical Service Association, Kaiser Permanente, Healthcare Association of Hawaii, 'Ohana Health Plan, Hawaii Medical Association, Hawai'i Primary Care Association, AlohaCare, and Hawaii Substance Abuse Coalition.

Your Committees find that the number of recipients for the State's health care insurance programs has increased annually by ten to twelve percent for the current and previous two fiscal years. Your Committees further find that during the 2009-2010 fiscal year, the Department of Human Services deferred two months of health plan capitation payments to the current 2010-2011 fiscal year. The current fiscal year's budget does not provide full funding for current year expenditures and those deferred payments.

Your Committees also find that without an emergency appropriation, health plans participating with the Department of Human Services will be required to continue the QUEST and QUEST Expanded Access programs with deferred payments. For some participating plans, this can mean delayed payments to providers, discouraging some providers from providing care to QUEST and QUEST Expanded Access participants, which may disrupt medically necessary services.

Additionally, your Committees find that Hawaii's Federal Medical Assistance Percentage, which sets the federal match for Medicaid funds, will revert from 62.63 percent to 51.79 percent on June 30, 2011. Your Committees note that an appropriation must be made prior to this date, in order for the State to take advantage of the higher federal matching rates.

Accordingly, your Committees believe the emergency appropriations contained in this measure are necessary to ensure continued payments for the Medicaid program without any significant delays, and to also ensure that the State does not lose \$6,000,000 in federal funding because of the reduction in the Federal Medical Assistance Percentage.

As affirmed by the records of votes of the members of your Committees on Human Services and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1292 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, 9. Noes, 1 (Slom). Excused, 6 (Dela Cruz, Fukunaga, Ihara, Kahele, Kouchi, Wakai).

**SCRep. 515      (Joint/Majority) Human Services and Ways and Means on S.B. No. 1293**

The purpose and intent of this measure is to make emergency appropriations from General Fund monies to address budget shortfalls in cash assistance payments made to needy families and work program services and maintenance of effort contracts.

Your Committees received testimony in support of this measure from the Department of Human Services and the Hawaii Substance Abuse Coalition.

Your Committees find that there is a critical funding emergency for the 2010-2011 fiscal year. Your Committees further find that the programs that provide financial assistance to eligible adults with dependent children, Temporary Assistance for Needy Families, and Temporary Assistance for Other Needy Families are projected to expend all appropriated funds by the third quarter of the current fiscal year. Your Committees find that this measure is necessary so that the Department of Human Services may continue providing cash assistance to approximately 9,849 families with children.

Your Committees additionally find that contracts for work program services for financial assistance clients are in need of emergency funds. These clients are required by federal law to participate in work activities to receive assistance. Emergency funds are also needed to maintain the purchase of service contracts that help Hawaii meet maintenance of efforts requirements. Your Committees find that funding of these contracts is necessary to prevent loss of federal funding for the Temporary Assistance for Needy Families program.

As affirmed by the records of votes of the members of your Committees on Human Services and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1293 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, 9. Noes, 1 (Slom). Excused, 6 (Dela Cruz, Fukunaga, Ihara, Kahele, Kouchi, Wakai).

**SCRep. 516      Health on S.B. No. 1381**

The purpose and intent of this measure is to extend by one year the deadline for the Hawaii Health Authority to submit to the Legislature its Comprehensive Health Plan, which will include:

- (1) The establishment of eligibility for inclusion in a health plan for all individuals;
- (2) Determinations of all reimbursable services to be paid by the Authority;
- (3) Determinations of all approved providers of services in a health plan for all individuals;
- (4) Evaluations of health care and cost effectiveness of all aspects of a health plan for all individuals; and
- (5) The establishment of a budget for a health plan for all individuals in the State.

Your Committee received testimony in support of this measure from the Hawaii Medical Association and four private citizens. Your Committee received comments on this measure from the Hawaii Medical Service Association.

Your Committee finds that extending the deadline for the Hawaii Health Authority to submit its Comprehensive Health Plan to the Legislature, will allow the Authority additional time to identify cost efficient, affordable, data driven health care options 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 is in accord with the intent and purpose of S.B. No. 1381 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 (Wakai).

**SCRep. 517      Commerce and Consumer Protection on S.B. No. 35**

The purpose and intent of this measure is to:

- (1) Clarify that the same procedures, protections, rights, and remedies provided to auto dealers under Act 164, Session Laws of Hawaii 2010, also apply to distributors that are not manufacturers; and
- (2) Delete a definition of "good faith" that is no longer necessary, as it is not used in the paragraph in which it was intended to apply.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Motor Vehicle Industry Licensing Board; Hawaii Automobile Dealers' Association; and Alliance of Automobile Manufacturers.

The intent of your Committee is to extend the rights and protections that are provided to licensed automotive dealers to licensed automotive distributors. According to testimony of the Department of Commerce and Consumer Affairs, this measure reconciles existing language with part II of chapter 437, Hawaii Revised Statutes, relating to the Motor Vehicle Industry Licensing Act, which was enacted by Act 164, Session Laws of Hawaii 2010. Act 164 established certain rights and duties among motor vehicle dealers, distributors, and manufacturers and originally intended to apply certain provisions to distributors, but those provisions were mistakenly omitted from the final Act. This measure applies those provisions to distributors, as originally intended by Act 164.

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. 35 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Nishihara, Slom).

**SCRep. 518 Commerce and Consumer Protection on S.B. No. 747**

The purpose and intent of this measure is to require the Department of Agriculture to adopt rules to require retail gasoline and diesel dealers to post by January 1, 2012, the amount of federal, state, and local taxes paid on each gallon of fuel.

Your Committee finds that this measure increases transparency in retail fuel purchases and provides consumers with important information on the price of a frequently-purchased commodity. Your Committee further finds that most consumers have little or no information on the taxes imposed on gasoline, which constitutes a major part of many household budgets. Finally, your Committee finds that this measure institutes a consumer protection that is long overdue.

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. 747 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 519 Agriculture on S.B. No. 1443**

The purpose and intent of this measure is to:

- (1) Require the Departments of Agriculture and Land and Natural Resources to identify and map certain public lands to be considered for transfer from the Department of Land and Natural Resources to the Department of Agriculture;
- (2) Establish a timetable for the transfer of those parcels that have been identified and mapped;
- (3) Require the Department of Agriculture to identify, of those transferred public lands, which lands should be considered for designation by the Land Use Commission as Important Agricultural Lands;
- (4) Clarify that public lands that are transferred from the Department of Land and Natural Resources to the Department of Agriculture are subject to the standards established in chapter 205, Hawaii Revised Statutes, for identifying and designating Important Agricultural Lands; and
- (5) Require the Board of Agriculture to determine which incentives or uses for Important Agricultural Lands are to be made available to leases managed under the Board's Agricultural Parks and Non-Agricultural Park Lands programs.

Your Committee finds that this measure ensures that public lands that are transferred from the Department of Land and Natural Resources to the Department of Agriculture are subject to the same standards for identifying and designating Important Agricultural Lands. Your Committee further finds that this measure will provide a solid foundation for protecting the integrity of Important Agricultural Lands.

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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1443, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1443, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 4 (Chun Oakland, Kouchi, Shimabukuro, Slom).

**SCRep. 520 Commerce and Consumer Protection on S.B. No. 199**

The purpose and intent of this measure is to increase the net metering system size cap to two megawatts and to ensure that existing net metering contracts may be maintained even with the introduction of new distributed generation energy procurement programs.

Your Committee received testimony in opposition to this measure from the Public Utilities Commission, Kauai Island Utility Cooperative, and Hawaiian Electric Company, Inc.

Your Committee finds that ensuring that existing net metering contracts may be maintained even with the introduction of new distributed generation energy procurement programs protects the consumers who have entered into these contracts and is not a detriment to the electric utilities. Your Committee further finds that, with regard to increasing the net metering system size cap to two megawatts, the Public Utilities Commission is working collaboratively with the stakeholders to increase these limits and that legislation is unnecessary at this juncture.

Accordingly, your Committee has amended this measure by:

- (1) Deleting section 2, which would have raised the system size limit for net energy metered systems to two megawatts;
- (2) Amending the purpose section accordingly; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 199, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 199, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 521 Commerce and Consumer Protection on S.B. No. 704**

The purpose and intent of this measure is to exempt third party solar energy systems from the definition of “public utility”.

Your Committee received testimony in support of this measure from the Public Utilities Commission of the Department of Budget and Finance and The Solar Alliance.

Your Committee finds that clarifying the classification of third party renewable energy systems serves at least two distinct and equally meritorious purposes: encouraging innovative entrepreneurship in the provision of renewable energy to consumers and making renewable energy available to a wide range of individual consumers. Your Committee further finds that, while third party providers of renewable energy systems to energy consumers are not explicitly included in the definition of public utilities, the current law may be ambiguous on the matter. Finally, your Committee finds that expanding this measure to include providers of all types of renewable energy systems, not limited to solar energy, will allow more entrepreneurs and more consumers to participate in the renewable energy market.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the recommendation of the Public Utilities Commission to exempt third party owners, controllers, operators, or managers of renewable energy systems, not limited to those of solar energy systems, from the definition of “public utility”; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 704, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 704, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 522 Commerce and Consumer Protection on S.B. No. 705**

The purpose and intent of this measure is to amend the definition of “the practice of nursing as a registered nurse” to require registered nurses to carry out orders of a licensed physician assistant practicing with physician supervision.

Your Committee received testimony in support of this measure from the Hawaii Academy of Physician Assistants, Kauai Community Health Alliance, The Maui Medical Group, and seventeen private individuals. Your Committee received comments on this measure from the Board of Nursing.

Your Committee finds that the provision of comprehensive health care to patients involves the participation of multiple professionals, each performing a specific role in accordance with a specific scope of licensure. Your Committee further finds that it is critical for patient safety and protection that the roles of each professional in a health care interaction are clearly defined. Finally, your Committee finds that the allowable scope of practice for a physician assistant does not include independent practice, but rather involves effectuating the orders of a supervising physician. Your Committee notes that the requirement of physician supervision of the actions of a physician assistant is essential to preserving patient safety.

Your Committee has amended this measure by clarifying that registered nurses shall carry out the orders of physicians that are delivered by a physician assistant practicing within the scope of licensure and under the supervision of a physician.

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. 705, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 705, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 523 Commerce and Consumer Protection on S.B. No. 741**

The purpose and intent of this measure is to authorize the several county liquor commissions to adopt rules, which may include reciprocity agreements among the counties, prohibiting any person from working as a server or seller at a licensed premise unless the person is certified as a server or seller and providing for a certification program with training for servers and sellers.

Your Committee received testimony in support of this measure from the Distilled Spirits Council of the United States. Your Committee received testimony in opposition to this measure from Outrigger Hotels Hawaii.



Your Committee finds that requiring training and certification of servers and sellers of intoxicating liquor will protect consumers by ensuring that servers and sellers have an adequate understanding of state law regarding the service of intoxicating liquor to patrons. Your Committee further finds that this measure will reduce underage drinking and the over-service of intoxicating beverages to adult patrons. Finally, your Committee finds that exempting employees who are not servers or sellers and for whom the delivery of unopened bottles of beer, wine, or liquor is merely occasional and incidental to job duties and those employees whose only contact with intoxicating liquor is restocking minibars prevents the overbroad application of this measure to employees such as hotel housekeepers, bell captains, or desk agents who may be included in a broad interpretation of this measure but who do not play a meaningful role in the sale or service of intoxicating liquor.

Your Committee has amended this measure by:

- (1) Specifying that the certification requirement of this measure does not apply to employees who are not servers or sellers and for whom contact with intoxicating liquor in the course of employment is merely occasional and incidental or is limited to the stocking of minibars; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 741, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 741, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Nishihara, Slom).

**SCRep. 524 Commerce and Consumer Protection on S.B. No. 1325**

The purpose and intent of this measure is to define the term “after market motorcycle frame”, allow a county Director of Finance to assign a vehicle identification number to a motorcycle with an after market frame, and disallow the registration of uncertified motor vehicles and devices with certain exceptions.

Your Committee received testimony in support of this measure from the Department of Transportation and Department of Customer Services of the City and County of Honolulu.

Your Committee finds that the intent of this measure is to disallow the motor vehicle registration of uncertified motor vehicles and devices, which is critical to protect the public safety. The broad definition of “motorcycle” under section 286-2, Hawaii Revised Statutes, allows motorcycles that were manufactured for only off-road use to be registered for use on public roads. This measure restricts motor vehicle registration to only those vehicles that are in compliance with all applicable Federal Motor Vehicle Safety Standards. In effect, off-road dirt motorcycles and pocket motorcycles cannot be registered and therefore cannot be driven on public roads.

The purpose of the Federal Motor Vehicle Safety Standards is to promote highway safety. Requiring compliance with the Federal Motor Vehicle Safety Standards to register a motorcycle registration will reduce the probability of uncertified vehicles being on the public roads, thereby contributing to highway safety.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1325, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1325, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Nishihara, Slom).

**SCRep. 525 Commerce and Consumer Protection on S.B. No. 1516**

The purpose of this measure is to exempt collaboration among all accident and health or sickness insurers, third party administrators, managed care plans, health care providers, and government agencies from state antitrust laws when the collaboration is intended to adopt uniform administrative procedures. The intent of this measure is to allow open and robust collaboration on uniform administrative standards and procedures to help enhance the quality of health care in Hawaii.

Your Committee received testimony in support of this measure from Hawaii Medical Association, Hawaii Medical Service Association, and Healthcare Association of Hawaii. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee heard testimony in support of adding clarifying language to this measure to encourage productive discussion and agreement among health care providers, including advanced practice registered nurses, physicians, and hospital administrators, along with insurers and other interested entities on uniform administrative standards regarding evidence-based medicine, clinical efficacy, and quality in health claims processing.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that collaborative discussions on methodologies for preferred drug lists should be discussions on methodologies for drug lists for clinical efficacy based on research-based guidelines;
- (2) Specifying that the health care providers who must be provided with advanced notice and an opportunity to participate in the collaborative discussions include advanced practice registered nurses, physicians, and hospital administrators; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1516, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1516, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 526 Commerce and Consumer Protection on S.B. No. 1244**

The purpose and intent of this measure is to modify the requirements of the renewable energy siting process to include biofuel production facilities and distribution infrastructure with the capacity to produce or distribute one hundred thousand gallons or more of biofuel annually.

Your Committee finds that because of the emerging nature of biofuel technology, many existing production facilities are currently operating at small-scale development or pilot capacities. Your Committee further finds that these facilities are the precursors to large-scale commercial biofuel producers that will reduce the State's dependence on imported fossil fuels. Therefore, your Committee finds that these smaller projects should be eligible for the same incentives that are available to their larger counterparts.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1244, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1244, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 527 Commerce and Consumer Protection on S.B. No. 1346**

The purpose of this measure is to amend the definition of "renewable electrical energy" to include, beginning January 1, 2015, net electricity delivered from customer-sited, grid-connected renewable energy generation. The intent of this measure is to clarify how customer-sited, grid-connected renewable energy generation will be treated starting in 2015, when electrical energy savings will no longer count toward a utility's renewable portfolio standards.

Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, Inc. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee heard testimony in support of restoring the original language of this measure to allow for the inclusion of all renewable energy providers in the renewable portfolio standards calculations. Your Committee finds that by allowing for the inclusion of all renewable energy providers in the renewable portfolio standards calculations, utilities will have a greater incentive to support and encourage customer-sited, grid-connected renewable energy generation.

Accordingly, your Committee has amended this measure by:

- (1) Expanding the definition of "renewable electrical energy" to include, beginning January 1, 2015, customer-sited, grid-connected renewable energy generation by all renewable energy providers, rather than by only net electricity providers; and
- (2) 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 S.B. No. 1346, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1346, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Slom).

**SCRep. 528 (Joint) Commerce and Consumer Protection and Ways and Means on S.B. No. 1498**

The purpose and intent of this measure is to ensure the stability of the Small Business Regulatory Review Board (Board) by transferring it from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs, authorizing funding for the Board through the Compliance Resolution Fund, and requiring administrative agencies to notify the Board of changes in administrative rules that affect small businesses.

Your Committees received testimony in support of the intent of this measure from the Department of Business, Economic Development, and Tourism. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs and Hawaii Farm Bureau Federation.

Your Committees find that, while this measure is still not in its ideal form at this time, the Department of Commerce and Consumer Affairs reports that it is currently in discussion with the Department of the Attorney General and the Department of Business, Economic Development, and Tourism regarding the potential impacts of this measure. Additionally, the Department of Commerce and Consumer Affairs has reported its willingness to continue to work with the Department of Business, Economic Development, and Tourism and the Department of the Attorney General on the issues raised by this measure. Therefore, your Committees find that it is prudent to move this measure forward to allow the discussion among the several Executive Branch departments to continue.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1498, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1498, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 17; Ayes with Reservations (Taniguchi). Noes, none. Excused, 3 (Green, Nishihara, Solomon).

**SCRep. 529 (Majority) Ways and Means on S.B. No. 150**

The purpose and intent of this measure is require the Disability and Communication Access Board to collect a fee for reviewing construction plans of public buildings and facilities for compliance with the Americans with Disabilities Act.

Specifically, this measure:

- (1) Directs the Disability and Communication Access Board to charge a fee for reviewing plans and specifications for the construction of public buildings and facilities;
- (2) Directs the Disability and Communication Access Board to report annually to the Legislature on its revenues collected;
- (3) Establishes the accessible building design special account within the disability and communication access board special fund, into which the review fees shall be deposited; and
- (4) Establishes a temporary fee schedule until the Disability and Communication Access Board adopts rules to establish a permanent schedule.

Comments on this measure were submitted by Colin Lam, Director, City and County of Honolulu, Department of Design and Construction; and one concerned individual.

Your Committee finds that the Disability and Communication Access Board's review of the construction plans of public buildings and facilities ensures accessible building design for persons with disabilities and compliance of public facilities with the Americans with Disabilities Act. Your Committee further finds that requiring the Board to collect a fee for its services will defray the Board's expenses in conducting its reviews and enable the Board to become self-sustaining.

Your Committee has amended this measure by:

- (1) Changing the amounts in the temporary schedule of fees to be charged for review services to unspecified amounts;
- (2) Clarifying that the temporary fee schedule will be repealed when the Disability and Communication Access Board adopts rules to implement a permanent fee schedule;
- (3) Changing the effective date to July 1, 2050 to encourage 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. 150, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 150, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 530 Ways and Means on S.B. No. 698**

The purpose and intent of this measure is to provide state agencies with flexibility when choosing to purchase roadway materials containing recycled glass.

Specifically, this measure repeals the requirement that state agencies purchase paving materials with ten per cent recycled glass content, while authorizing them to do so when appropriate.

Your Committee received written comments in support of this measure from Collins D. Lam, P.E., Director, Department of Design and Construction, City and County of Honolulu; and Joseph Shacat, Environmental Compliance Manager, Grace Pacific Corporation.

Your Committee finds that section 103D-407, Hawaii Revised Statutes, requires state agencies to purchase roadway materials with minimum recycled glass content. However, stakeholders have indicated that this requirement reduces the quality of roads, limits asphalt pavement recycling options, and results in a higher carbon footprint than if the glass were to be recycled into other products. This measure instead gives agencies the option to use roadway materials with recycled glass content when desirable.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 698, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 698, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 531 Ways and Means on S.B. No. 900**

The purpose and intent of this measure is to establish the Hawaii interagency council on homelessness and to make an appropriation of an unspecified amount for its administrative expenses.

Your Committee received written comments in support of this measure from Myoung Oh, Government Affairs Director, Hawaii Association of REALTORS; Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii; and Max Gray, Partners In Care. Your Committee received comments on this measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that, although great strides have been made in addressing the issue, homelessness remains a complex problem in the State and the nation, requiring coordination, planning, implementation, and funding among state and county agencies, private entities, and the federal government.

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, 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. 900, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 900, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Kouchi, Ryan).

**SCRep. 532 (Majority) Ways and Means on S.B. No. 1081**

The purpose and intent of this measure is to provide sufficient funds to cover the costs of all collective bargaining cost items for public employees in collective bargaining unit (2) and its excluded counterparts who work for the State.

Your Committee received comments in support of this measure from Randy Perreira, Executive Director, Hawaii Government Employees Association.

Your Committee received comments in opposition to this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that this measure is necessary to provide a legislative vehicle to appropriate funds for any collective bargaining agreement that may be executed by state public employers and the exclusive representative for collective bargaining unit (2) and its excluded counterparts.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion and 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. 1081, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1081, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 533 Ways and Means on S.B. No. 1197**

The purpose and intent of this measure is to realize economic savings by increasing energy efficiency in state buildings, including schools, by requiring the incorporation of alternative energy designs into the construction of, and major renovations to, state buildings.

Your Committee received submitted comments in support of this measure from Donald B. Young, Director, Hawaii Educational Policy Center; and Lisa Hinano Rey, Member, Environmental Caucus of the Democratic Party. Your Committee received submitted comments on this measure from Richard C. Lim, Director, Department of Business, Economic Development, and Tourism.

Your Committee finds that long-term savings of money and natural resources will result if the State incorporates energy efficient design and construction into public buildings.

Your Committee has amended this measure by:

- (1) Clarifying in section 1 of the measure that the purpose is to require alternative energy use design in all public buildings and facilities to accurately reflect the measure's contents;
- (2) Changing all references to dollar amounts of project costs to unspecified sums;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and 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. 1197, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1197, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 534 Ways and Means on S.B. No. 1394**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to enter into contracts with developers to develop public housing projects in exchange for commercial space in the project.

Your Committee received written comments in support of this measure from Denise M. Wise, Hawaii Public Housing Authority.

Your Committee finds that this measure will expand the Hawaii Public Housing Authority's ability to develop new housing for the State's lowest income populations by enabling the agency to incentivize partnerships with market-rate housing developers.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussions on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1394, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1394, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 535      Ways and Means on S.B. No. 1416**

The purpose and intent of this measure is to lengthen the period during which new vehicles are exempted from safety inspections, from two years to three years after the date of purchase.

Your Committee received written comments on this measure from Gail Y. Haraguchi, Director, Department of Consumer Services, City and County of Honolulu.

Your Committee finds that because new vehicles are unlikely to experience major mechanical defects during the first three years after their purchase, the present timeframe for safety inspection of new vehicles is unnecessarily burdensome on the owners.

Your Committee has amended this measure by changing its effective date to January 1, 2012.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1416, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1416, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 536      (Majority) Ways and Means on S.B. No. 1348**

The purpose and intent of this measure is to establish a health insurance exchange to, among other things, facilitate the purchase and sale of qualified health plans in compliance with the federal Patient Protection and Affordable Care Act.

This measure also establishes the state health insurance exchange task force within the Department of Commerce and Consumer Affairs to recommend policies and procedures to further define and operate the health insurance exchange.

Your Committee received comments in support of this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Service Association; George S. Massengale, JD, Director of Government Relations, American Cancer Society; Dan Domizio, PA, MPH, Clinical Programs Director, Puna Community Medical Center; and Lyn Moku, Office Manager, National Multiple Sclerosis.

Your Committee finds that under the federal Patient Protection and Affordable Care Act, the Secretary of Health and Human Services is scheduled to determine the State's ability to create a health insurance exchange in 2013 and the exchange must be up and running by 2014. If the State has not made sufficient progress in creating its exchange, the State will face the possibility that the United States Department of Health and Human Services will unilaterally establish an exchange for the State, effectively taking over the State's health care system.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 in order to facilitate continued discussion on the matter; 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. 1348, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1348, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kidani, Kouchi).

**SCRep. 537      Ways and Means on S.B. No. 1538**

The purpose and intent of this measure is to require the Department of Health and the Civil Defense Division of the Department of Defense to carry out the statewide dialysis emergency plan created by the task force established in 2010 under the federal metropolitan medical response system grant.

Your Committee finds that the need for emergency planning to maintain dialysis services in Hawaii is pressing because of the State's geographical isolation and the high number of patients with end-stage kidney disease.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 1538, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1538, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 538 (Majority) Ways and Means on S.B. No. 1311**

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to collect fees to cover the technical assistance program costs associated with assisting landowners in the development, review, and monitoring of habitat conservation plans.

Your Committee received written comments in support of this measure from William J. Aila Jr., Chairperson, Department of Land and Natural Resources; Richard Lim, Interim Director, Department of Business Economic Development and Tourism; and George Massengale, Legislative Analyst, Hawaii Audubon Society.

Your Committee finds that the number of incidental take licenses and requests for technical assistance related to habitat conservation plans has increased significantly in recent years, and the Department's current budget cannot meet this increase in demand.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 1311, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1311, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 539 Ways and Means on S.B. No. 831**

The purpose and intent of this measure is to establish a state New Markets tax credit for qualified equity investment on a credit allowance date that shall be exempt from the requirements of section 704(b)(2) of the Internal Revenue Code; provided that:

- (1) Community development entity investments shall be restricted to low-income communities in Hawaii; and
- (2) Franchise taxes under chapter 241, Hawaii Revised Statutes, and insurance premium taxes under chapter 431, Hawaii Revised Statutes, shall be eligible for the tax credit.

Your Committee received comments on this measure from the Tax Foundation of Hawaii; and Yuka Nagashima, Executive Director & CEO, High Technology Development Corporation.

Your Committee finds that the federal New Markets tax credit was adopted as part of the Community Renewal Tax Relief Act of 2000 (Public Law 106-554) to address the lack of capital available to businesses and economic development ventures in low-income communities. Your Committee also finds that the federal New Markets tax credit program has assisted in many development projects in depressed communities.

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. 831, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 831, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 540 Ways and Means on S.B. No. 1108**

The purpose and intent of this measure is to assist low- and moderate-income families with asset-building.

Specifically, this measure clarifies guidelines, and appropriates funding, for Individual Development Accounts.

Your Committee received written comments in opposition to this measure from one individual. Patricia McManaman, Interim Director, Department of Human Services commented on the measure.

Your Committee finds that the accumulation of financial assets, including cash savings, stocks, bonds, and home and business equity, helps Hawaii residents better achieve their financial goals, such as purchasing a home or starting a small business.

Your Committee further finds that Individual Development Accounts match the deposits of low- and moderate-income account holders, bringing them closer to their goals. While there is no shortage of families interested in Individual Development Account

programs, these programs lack the matching funds to support them. Appropriating funds to Individual Development Account programs will enable low- and moderate-income families to save and build their financial assets.

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 S.B. No. 1108, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1108, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 541      Ways and Means on S.B. No. 285**

The purpose and intent of this measure is to provide Medicaid and QUEST health plan recipients with improved access to health care services.

Specifically, this measure:

- (1) Provides for telehealth services for Medicaid and QUEST patients by allowing the use of a mobile health van in counties with populations of less than two hundred fifty thousand; and
- (2) Requires the mobile medical van program operated by Kona community hospital to be funded through a partnership with a non-profit mutual benefit society operating in the State.

Your Committee received written comments in support of this measure from Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Service Association; Howard Lee, President, Hawaii Association of Health Plans; and one private individual. Your Committee received comments on the measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that it is difficult to provide adequate health care services to rural areas, particularly in remote areas of the Big Island, which has the lowest population density in the State. Utilizing a mobile medical van to service Medicaid and QUEST members in such remote areas would provide great flexibility and faster medical attention to patients in need.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 285, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 285, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 542      Ways and Means on S.B. No. 1227**

The purpose and intent of this measure is to improve coordination of all enhanced 911 services by expanding the representation and responsibility of the current Wireless Enhanced 911 Board, which the measure renames as the Enhanced 911 Board to reflect the broader range of 911 services now available.

Your Committee received submitted comments in support of this measure from Gary A. Yabuta, Chief of Police, Police Department, County of Maui; and Rick Tsujimura, General Motors, LLC.

Your Committee finds that efficient and effective management of 911 services saves lives. Your Committee further finds that the enhanced 911 services of the State need to be improved to address changing technologies and systems.

Your Committee has amended this measure to:

- (1) Correctly reflect the text of the Hawaii Revised Statutes;
- (2) Change the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Make technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1227, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1227, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 543      (Majority) Ways and Means on S.B. No. 1458**

The purpose and intent of this measure is to establish a fully integrated licensing system under the Department of Health for the cultivation and distribution of medical marijuana to promote the safe and effective regulation of medical marijuana.

Your Committee received comments in support of this measure from Jeanne Ohta, Executive Director, Drug Policy Forum of Hawaii; Pamela Lichty, MPH, President, The Drug Policy Action Group; Jay Fleming, Law Enforcement Against Prohibition; Andrea Tischler, Co-Chair, Big Island Chapter Americans For Safe Access; and fifty-one individuals.

Your Committee received comments in opposition to this measure from the Prosecuting Attorney, City and County of Honolulu; Gary A. Yabuta, Chief of Police, Police Department, County of Maui; and three individuals.

Your Committee finds that medical marijuana needs to be effectively regulated to ensure safe and reliable cultivation, distribution, and use. Your Committee further finds that licensing those involved in this process, setting standards for licensees, and requiring that the facilities used be secure and monitored is an effective way to ensure that medical marijuana is cultivated, distributed, and used appropriately. The measure also provides for licensing fees and taxation of medical marijuana that will support regulations and generate revenues for the general fund.

Your Committee has amended this measure by:

- (1) Clarifying that those convicted of a felony within ten years preceding application for a license shall be ineligible for licensing;
- (2) Deleting a provision relating to contiguous location of licensees while retaining language regarding minimum distance between licensees;
- (3) Correcting language to reflect the current text of the Hawaii Revised Statutes;
- (4) Correcting an internal cross-reference; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1458, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1458, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Kouchi). Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 544      Ways and Means on S.B. No. 926**

The purpose and intent of this measure is to continue to prepare children with the fundamental skills they need for a lifetime of learning.

More specifically, this measure appropriates funds, to be expended by the Department of Health and the Department of Human Services, for programs designed to address school readiness and early childhood development.

Your Committee received comments in support of this measure from Dee Jay Mailer, Chief Executive Officer, Kamehameha Schools; Robert Witt, Executive Director, Hawaii Association of Independent Schools; Robert Peters, Chair, Early Learning Council; and Rebecca Sanada-McGuire, President, Hawaii Baptist Early Education Association. Your Committee received comments on this measure from Patricia McManaman, Interim Director, Department of Human Services; and Elisabeth Chun, Executive Director, Good Beginnings Alliance.

Your Committee finds that early childhood is a critical time for development of fundamental skills necessary for educational success throughout life. Your Committee further finds that many services designed to help children succeed in school have been eliminated or drastically reduced, and it is necessary to provide adequate funding for these programs.

Your Committee has amended this 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 S.B. No. 926, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 926, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 545      Ways and Means on S.B. No. 1496**

The purpose and intent of this measure is to promote the aerospace industry in Hawaii by expanding the state enterprise zones program to include the development and operation of space exploration and lunar research-related activities.

Your Committee received written comments in support of this measure from Richard C. Lim, Department of Business, Economic Development and Tourism. Written comments on this measure were received from Tax Foundation of Hawaii.

Your Committee finds that aerospace is a strategic and timely growth industry for Hawaii. The State is currently working to build public-private partnerships and attract substantial international business investments to Hawaii that can help expand and diversify aerospace activities statewide. The enterprise zones program encourages businesses to relocate to certain areas through tax and other incentives. By promoting aerospace efforts through the state enterprise zones program, this measure will bring scientific, educational, and commercial benefits to Hawaii residents and establish the State as a global leader in space exploration.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1496, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1496, S.D. 1.



Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 546      Ways and Means on S.B. No. 169**

The purpose and intent of this measure is to increase random inspections of incoming cargo for illegal fireworks and explosives by authorizing a pilot program using dogs to inspect cargo shipments after arrival at the State's harbors.

Your Committee received written comments on this measure from Kenneth G. Silva, Chair of the State Fire Council and Fire Chief of the Honolulu Fire Department.

Your Committee finds that while insufficient cargo inspections at the harbors provide opportunities for illegal fireworks and explosives to be smuggled into the State, any efforts to increase inspections need to be carefully crafted to avoid delays and inefficiencies in harbor operations that may impede commerce. The use of dogs to quickly inspect cargo at the harbors offers one potential solution.

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. 169, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 169, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 547      Ways and Means on S.B. No. 787**

The purpose and intent of this measure is to require Medicaid reimbursement rates paid to acute care hospitals for treating patients who are waitlisted for long-term care to be equal to the rates for similar acute care services. This measure also appropriates moneys for increased Medicaid reimbursements.

Your Committee received testimony in support of this measure from Christina Donkervoet, Director of Care Coordination and Patient Flow, The Queen's Medical Center; and Louis Erteschik, Staff Attorney, Hawaii Disability Rights Center.

Your Committee finds that this measure will provide fair compensation to acute care hospitals for housing patients who are on a waitlist for entry to a long-term care facility. This measure also will provide fair compensation to long-term care facilities for patients whose level of care changes from acute to long-term care and improve the stability of the health care system as a whole.

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. 787, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 787, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 548      (Majority) Commerce and Consumer Protection on S.B. No. 1086**

The purpose and intent of this measure is to allow bread to be labeled as "fresh" only if the product has been maintained in an unfrozen state at all times. This measure also requires the use of the term "previously frozen" for bread products that are baked and then frozen before sale.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association; Hawaii Government Employees Association; Hawaii State AFL-CIO; Pride At Work Hawai'i; United Food & Commercial Workers Union, Local 480; and ILWU Local 142. Your Committee received testimony in opposition to this measure from Hawaiian Food Services Group LLC; Times Supermarkets; Golden Coin Food Industries; Gold Coast Baking Company; Fresh Start Bakeries; Sara Lee Corporation; Bimbo Bakeries USA; Ani's Bake Shop; Watanabe Bakery LLC; Standard Bakery, Inc.; Four Seasons Resort; Menehune Bottled Water Company Inc.; Mr. Sub; Kahului Trucking & Storage, Inc.; The Plantation Inn; A/C Warehouse Inc. Maui; Maui Coffee Co.; Ocean View Store; Hirano Store; Punalu'u Bake Shop; Lava Rock Cafe; Kaimomi Distributing Co., Inc.; Frankie's Cafe; The Men's Shop Inc.; Mountain View Mini Mart; Takata Store; Waianae Store; Kilauea General Store; Island Catering; Hawaiian Isles Distributors; Pukalani Superette; J. Hara Store; The Safeway Companies; Retail Merchants of Hawaii; Grocery Manufacturers Association; and Hawaii Foodservice Alliance LLC.

Your Committee finds that this measure would be valuable to consumers, especially in these times when many consumers have become more interested and conscious of not only nutrition but also when and how the food they purchase was prepared. Labeling and selling previously frozen bread as fresh baked bread is a misrepresentation of food. This measure provides consumers with accurate and proper labeling to make an informed decision when they buy that product.

Your Committee believes that consumers have a right to know whether bread they are considering to buy has been previously frozen. Freezing bread affects the quality of the product, particularly if the consumer decides to freeze it again, which may compromise the quality of the bread.

Your Committee has amended this measure by:

- (1) Limiting the requirement for the labeling of bread as "previously frozen" to sliced, sandwich-style bread;

- (2) Moving some of the new language proposed by this measure to existing sections of law, where appropriate, as amendments to those statutes; and
- (3) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1086, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1086, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Green). Noes, 1 (Slom). Excused, 3 (Galuteria, Nishihara, Solomon).

**SCRep. 549 Commerce and Consumer Protection on S.B. No. 657**

The purpose and intent of this measure is to update the scope of practice of chiropractic to reflect standards, practices, and terminology accepted by the National Board of Chiropractic Examiners.

Your Committee received testimony in support of this measure from the Hawaii State Chiropractic Association, the American Chiropractic Association, twenty-four chiropractic doctors, and seventeen private individuals. Your Committee received a petition in support of this measure with the signatures of three hundred forty-eight individuals. Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council. Your Committee received comments on this measure from the Board of Chiropractic Examiners, Hawaii Medical Association, Hawai'i Dietetic Association, and one individual.

Your Committee finds that chiropractors are a valuable part of a comprehensive health care system. Your Committee further finds that the current statute defining the scope of chiropractic practice is outdated and does not accurately reflect the education, training, and testing required for licensure of chiropractors. Your Committee also finds that the standards and scope of practice contained in this measure are in accord with the standards and scope tested by the National Board Exams for chiropractors. Finally, your Committee finds that, while chiropractic licensees are recognized medical providers for many purposes, including workers' compensation and Medicare, the use of the title "physician" to designate chiropractic licensees may be misleading since common usage of that term connotes a medical doctor. Therefore, your Committee believes that the current designation for a chiropractic licensee as Doctor of Chiropractic, or DC, provides more clarity.

Your Committee has amended this measure by:

- (1) Clarifying that the scope of practice of chiropractic includes the application of nutrition methods as distinguished from clinical nutrition methods employed by registered dietitians;
- (2) Clarifying that a chiropractor may serve as a portal of entry for consumers to obtain neuromuscular and skeletal health care services;
- (3) Clarifying that chiropractic licensees may examine, analyze, diagnose, and treat patients through the use of light and other methods taught by an accredited chiropractic college; and
- (4) Removing provisions that would have allowed a chiropractic licensee to use the title "chiropractic physician" or "physician" under certain conditions.

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. 657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 657, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 550 Commerce and Consumer Protection on S.B. No. 154**

The purpose and intent of this measure is to permit a licensed real estate broker or real estate appraiser to prepare broker price opinions for use in real estate transactions where an appraisal is not required by law or otherwise.

Your Committee received testimony in support of this measure from Hawai'i Association of REALTORS and one private individual. Your Committee received testimony in support of the intent of this measure from the Hawaii Real Estate Commission, Hawaii Chapter of the Appraisal Institute, Hawaii Bankers Association, and Hawaii Financial Services Association. Your Committee received testimony in opposition to this measure from A'a Appraisal Services Hawaii, LLC.

Your Committee finds that broker price opinions are an important tool in real estate matters where an appraisal is not required such as determining a listing price for a property, determining the proper disposition of a distressed property at risk of foreclosure, or determining the value of a real property investment asset. Your Committee further finds that the use of broker price opinions in appropriate matters results in significant savings of money and time.

Your Committee also finds that there are important distinctions between broker price opinions and appraisals in terms of their respective uses, the information that serves as their bases, and the skill set that is required to prepare each. Your Committee notes that real estate licensees are subject to regulatory oversight and their own industry ethical and professional standards and that real estate licensees already frequently prepare broker price opinions for real estate matters at no charge. Therefore, your Committee finds that allowing real estate licensees to be compensated for preparing broker price opinions will not compromise important consumer protections. Finally, your Committee finds that the provisions of this measure are self-effectuating and do not require the adoption of administrative rules in order to become effective.

Your Committee has amended this measure by:

- (1) Adding a new provision to specify that the requirements of chapter 466K, Hawaii Revised Statutes, governing real estate appraisers do not apply to broker price opinions issued by real estate licensees pursuant to this measure;
- (2) Clarifying the requirements for a broker price opinion prepared by a real estate licensee;
- (3) Clarifying that no person aggrieved by a broker price opinion shall be eligible for recovery from the Real Estate Recovery Fund established pursuant to section 467-16, Hawaii Revised Statutes; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 154, 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 (Galuteria, Nishihara, Slom).

**SCRep. 551 (Joint) Energy and Environment and Transportation and International Affairs and Ways and Means on S.B. No. 146**

The purpose and intent of this measure is to require transportation fuel sold in the State for use in motor vehicles to contain no less than fifteen percent biofuel that is produced in the State from feedstock grown in the State.

Your Committees received testimony in support of this measure from Chris Eldridge, Aina Koa Pono; and Arvid Tadao Youngquist. Your Committees received comments on this measure from Richard Lim, Department of Business, Economic Development, and Tourism; and Kelly King, Pacific Biodiesel, Inc.

You Committees find that the State needs to expand the use of biofuels as a viable source of energy in order to reduce dependence on imported fossil fuels and that the use of biofuels is consistent with the State's goals relating to renewable energy and sustainability. Your Committees recognize, however, that imposing a statutory requirement to utilize biofuels as transportation fuel may be premature at this time in view of the nascent nature of the industry and the uncertain availability of biomass crops in Hawaii to produce enough fuel to fulfill the mandate originally contemplated in this measure.

Accordingly, your Committees have amended this measure by removing its contents and replacing them with language that:

- (1) Directs the Department of Business, Economic Development, and Tourism to conduct a study that includes:
  - (A) An estimate of the projected demand for biofuel in the State and the availability of local biomass feedstock to meet existing and proposed biofuel production;
  - (B) The capacity of any biofuel producer's facilities to produce sufficient amounts of biofuel to meet the projected demand for biofuel;
  - (C) An estimate of the number of gallons of biofuel, broken down by type of biofuel, that can be produced solely from feedstock grown in the State;
  - (D) The percentage of transportation fuel sold in the State that could be biofuel-based; and
  - (E) Any other relevant information that the Department deems necessary; and
- (2) Requires the Department of Business, Economic Development, and Tourism to report its findings and recommendations to the Legislature no later than twenty days prior to the Regular Session of 2012; provided that the study may be included in the Energy Resources Coordinator's annual report to the Governor and Legislature.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation and International Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 146, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 146, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 7 (Dela Cruz, Ihara, Kahele, Kidani, Kim, Tokuda, Wakai).

**SCRep. 552 Commerce and Consumer Protection on S.B. No. 806**

The purpose and intent of this measure is to:

- (1) Allow teacher and educational officer Hawaii Teacher Standards Board members who retire during a term to serve the remainder of their term up to three consecutive three-year terms;
- (2) Authorize career and technical education licenses to allow qualified individuals to teach when recommended by the Superintendent of Education even if the individuals do not possess a bachelor's degree;
- (3) Extend the term of the renewable advanced license from five to ten years; and
- (4) Require a teacher to attend training prior to applying for license renewal on new student standards and new teacher performance standards if those standards are adopted more than three years prior to a teacher's license renewal date.

Your Committee received comments on this measure from the Department of Education, Hawaii Teacher Standards Board, and University of Hawai'i System.

Your Committee finds that this measure will enhance the professionalism and stability of Hawaii's public school teachers, and your Committee is in support of this aspect of the measure. Your Committee has received requests for further amendments to this measure, but defers to the Committee on Education for subject matter amendments.

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. 806, 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 (Nishihara, Slom).

**SCRep. 553 Commerce and Consumer Protection on S.B. No. 1161**

The purpose and intent of this measure is to facilitate telecommunications and information development by exempting broadband infrastructure improvements from state and county permitting requirements for five years and exempting replacements of existing utility poles related to installation or improvement of telecommunications cables from state and county permitting requirements.

Your Committee received testimony in support of this measure from the University of Hawai'i System, The Chamber of Commerce of Hawaii, and Hawaiian Telcom. Your Committee received testimony in support of the intent of this measure from the Department of Transportation; Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; and tw telcom. Your Committee received testimony in opposition to this measure from the Office of Environmental Quality Control, Department of Planning and Permitting of the City and County of Honolulu, and a member of the Maui County Council.

Your Committee finds that the issues raised in testimony presented on this measure by public and private stakeholders demonstrate the need for continued collaboration among all interested parties to ensure that progress in making broadband information services accessible to all residents of this State. Your Committee further finds that deploying and improving broadband infrastructure is critical to enabling the State to diversify its economy, attract new businesses, and create twenty-first century jobs for residents in all parts of the State. Your Committee encourages all relevant state, local, and private agencies to put aside narrow jurisdictional concerns and to work collaboratively to move broadband deployment forward.

Your Committee notes that Act 199, Session Laws of Hawaii 2010, created and funded a work group to develop policies and procedures for streamlining permitting processes to enable the efficient deployment of broadband infrastructure. Your Committee further notes that although the previous Governor declined to release monies appropriated from the Compliance Resolution Fund to fund the activities of the work group, that funding source remains available and accessible to the Cable Television Division of the Department of Commerce and Consumer Affairs. Your Committee encourages the Administrator of the Cable Television Division to use the funds appropriated by Act 199, Session Laws of Hawaii 2010, to convene the stakeholders on this issue and to work expeditiously toward resolving outstanding issues and concerns.

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. 1161, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Taniguchi). Noes, none. Excused, 3 (Galuteria, Nishihara, Solomon).

**SCRep. 554 (Majority) Ways and Means on S.B. No. 1040**

The purpose and intent of this measure is to discourage employers from disregarding health and safety standards in the workplace by raising the civil penalty amounts and criminal fines for violations of the Hawaii Occupational Safety and Health Law.

Your Committee received comments in opposition to this measure from Tim Lyons, Executive Director, Roofing Contractors Association of Hawaii.

Your Committee finds that penalties for violations of the Hawaii Occupational Safety and Health Law are intended to deter employers from disregarding their obligations to provide a safe and healthy workplace for employees. The current penalties were last increased in 1992. Increasing the penalties will help prevent further violations of health and safety standards.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 555 Ways and Means on S.B. No. 1460**

The purpose and intent of this measure is to decriminalize possession of one ounce or less of marijuana by establishing a civil violation fine of not more than \$100 for possession of that amount.

Your Committee received comments in support of this measure from Major Neill Franklin, Law Enforcement Against Prohibition; Pamela Lichty, President, The Drug Policy Action Group; Matthew Rifkin, Vice President, Peaceful Sky Alliance; Jeanne Ohta, Executive Director, The Drug Policy Forum of Hawaii; and sixty-eight individuals.

Your Committee received comments in opposition to this measure from Mark K. Miyahira, Deputy Attorney General, Department of the Attorney General; Department of the Prosecuting Attorney, City and County of Honolulu; and the Office of the Prosecuting Attorney, County of Hawaii.

Your Committee received comments on this measure from Rodney A. Maile, Administrative Director of the Courts, Judiciary; Tax Foundation of Hawaii; and two individuals.

Your Committee finds that the costs associated with criminal prosecution for possession of small amounts of marijuana are extremely high in relation to the benefits of prosecuting those offenses. Your Committee further finds that the establishment of a civil penalty not to exceed \$100 for possession of one ounce or less of marijuana, and a corresponding adjudicatory process for these violations, would greatly reduce the costs for prosecution and enforcement of marijuana possession while increasing fines collected for this violation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1460, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 556      Ways and Means on S.B. No. 1489**

The purpose and intent of this measure is to allow attorney's liens to attach to judgments, decrees, orders, settlements, and awards pursuant to arbitration proceedings.

Your Committee finds that section 507-81, Hawaii Revised Statutes, authorizes attorney's liens to attach to certain judgments, decrees, orders, settlements, and awards entered by a court. Your Committee further finds that attorney's liens should also attach to the same judgments, decrees, orders, settlements, and awards entered by arbitrators. Your Committee notes that this measure will eliminate the arbitrary one year deadline for filing a notice of claim for the attorney's lien.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1489, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 557      (Joint) Economic Development and Technology and Agriculture on S.B. No. 1451**

The purpose and intent of this measure is to designate October as Farm to School Month in Hawaii.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Education; Department of Business, Economic Development, and Tourism; Hawaii Association of Independent Schools; Hawaii Farm Bureau Federation; American Heart Association; Kokua Hawai'i Foundation; The Kohala Center, and one individual.

Your Committees find that initiatives such as Farm to School programs help to educate and reconnect Hawaii's children with agriculture, which is critically important in an increasingly urbanized society. Through organizations such as the Hawai'i School Garden Hui, with School Garden Networks on the Islands of Kauai, Oahu, Maui, and Hawaii; the Hawaii Association of Independent Schools' Grow Hawaii Farm to School Initiative; and the Healthy Hawaii Initiative, participants are working to promote the farm to school and school garden movement in the State.

Your Committees are in strong support of Hawaii's Farm to School programs, and their hands-on approach to developing an understanding of and appreciation for agriculture by Hawaii's school children.

Your Committees have amended this measure by:

- (1) Correcting references to the Kokua Hawai'i Foundation and its programs; and
- (2) 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 Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1451, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1451, 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 (Baker, Chun Oakland, Dela Cruz, Kouchi, Solomon).

**SCRep. 558      Judiciary and Labor on S.B. No. 994**

The purpose and intent of this measure is to prohibit legislators and state employees from naming or appointing close relatives to a public office or employment position.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission and Common Cause Hawaii. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the intent of this measure is to address the lack of state laws prohibiting nepotism, the necessity of which was highlighted by recent news articles identifying problems with this practice in certain government agencies. Nepotism engenders charges of favoritism and preferential treatment and erodes public confidence in government hiring practices.

Your Committee notes that a measure with a similar subject matter, S.B. No. 1502, was also referred to and heard in your Committee. While S.B. No. 994 prohibits nepotism in the appointment or hiring of a relative, S.B. No. 1502 is broader in its application. Your Committee believes that the additional provisions in S.B. No. 1502 should be incorporated into S.B. No. 994 for convenience of discussion.

Your Committee also observes that there is no exemption in either measure for circumstances in which the relative is highly qualified for the position. While your Committee is mindful that nepotism can potentially cause problems with favoritism, morale issues, or conflicts of interest because the hired relative may not be qualified for the position, sometimes the relative may truly be the

best person for the position. In the latter case, a law that summarily prevents the relative from being considered for a position that the relative would otherwise qualify for on merit alone would be detrimental to the government agency and the public as a whole.

Your Committee has amended this measure by:

- (1) Inserting section 1 of S.B. No. 1502, which contains a purpose section describing the rationale for the measure;
- (2) Inserting language that expands the list of prohibited practices regarding nepotism and places the new language in chapter 84, Hawaii Revised Statutes, relating to ethics, to allow the Hawaii State Ethics Commission to provide guidance and enforcement for the implementation of those provisions;
- (3) Adding language to prohibit a legislator from voting for the confirmation of a relative of the legislator, to address potential nepotism issues unique to legislators;
- (4) Creating an exemption to the prohibition on the appointment, employment, promotion, or advancement of a relative or a relative of specified others when the relative is highly qualified for the position;
- (5) Making the nepotism provisions applicable to justices and justices, for whom chapter 84, Hawaii Revised Statutes, is generally inapplicable, to retain the original intent of S.B. No. 1502, which applied to all public employees;
- (6) Inserting an effective date of July 1, 2050, to allow for further discussion; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 994, 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. 559      Judiciary and Labor on S.B. No. 1068**

The purpose and intent of this measure is to strengthen the State's animal cruelty laws by:

- (1) Providing that killing, or attempting to kill, the animal of another person without the owner's consent constitutes cruelty to animals in the first degree; and
- (2) Exempting from the offense of cruelty to animals in the first degree the humane killing of an animal by an animal control officer, a duly incorporated humane society for the prevention of cruelty to animals, or a duly authorized governmental agency.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; the Hawaiian Humane Society; the Maui Humane Society; the Hawaii Veterinary Medical Association; the Hawaii Cattlemen's Council, Inc.; and fourteen individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender. Your Committee received comments on this measure from one individual.

Your Committee finds that although the current language of section 711-1108.5, Hawaii Revised Statutes, relating to cruelty to animals in the first degree, clearly prohibits the torture, mutilation, or poisoning of a pet animal, it does not expressly address any other method of killing. For example, according to testimony submitted by the Prosecuting Attorney of the City and County of Honolulu "if a pet animal is shot from close-range, stabbed in the heart, or otherwise killed instantly, it is unclear whether the perpetrator's actions would currently qualify under the definition of animal cruelty."

Your Committee believes that this loophole should be closed for several reasons. Not only is the killing of a pet animal for sport simply abhorrent, but this type of aggressive behavior has wider implications. Animal abuse has connections to the abuse of family members and may create aggressive or violent tendencies in children who witness their pets being abused or killed. Studies have shown that over seventy-one percent of abused women reported that their batterers had harmed, killed, or threatened animals. Usually these incidents occurred in the presence of the women or their children to coerce, control, and humiliate them. The children in turn admitted that they had hurt pets, and some admitted to having hurt or killed animals. Accordingly, there are concerns that animal abuse or killing perpetuates the cycle of violence because people who commit acts of serious animal abuse frequently have previous histories of, or future tendencies toward, violent crimes against humans. By expressly making the killing of a pet animal a criminal offense, your Committee intends to deter this conduct and the grave effects of this conduct.

Your Committee notes that this measure as received does not exempt a person acting to defend or protect another person or animal. While a person could make an argument of self-defense at trial, there remains a risk of conviction for a person who acted in an emergency to protect family members or pets.

Your Committee has amended this measure by:

- (1) Creating an exemption to the offense for a landowner who uses reasonable force to defend or protect the landowner, another person, or an animal from death, injury, or imminent harm from an animal that is on the landowner's property, as recommended by the Office of the Public Defender and the Hawaii Cattlemen's Council, Inc.;
- (2) Revising the humane killing exemption by using instead the term "humane euthanasia" and requiring that the euthanasia be performed in accordance with American Veterinary Medical Association accepted standards;
- (3) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1068, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 560      Judiciary and Labor on S.B. No. 1080**

The purpose and intent of this measure is to apply the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA), codified at Title 42 United States Code Sections 1973ff et seq., to state and county elections.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation. Your Committee received testimony in opposition to this measure from the Office of Elections. Your Committee received comments on this measure from the Office of the City Clerk of the City and County of Honolulu.

Your Committee finds that on October 28, 2009, the National Defense Authorization Act for Fiscal Year 2010 (NDAA) was signed into law. Subtitle H of the NDAA amended various parts of the UOCAVA. Among these requirements was a provision requiring states to transmit absentee ballots to uniformed and overseas voters no later than forty-five days prior to a federal election. Shortly after the NDAA was passed, the Office of Elections adopted administrative rules that addressed all mandatory parts of the NDAA. Additionally, the Legislature passed H.B. No. 2397, H.D. 1, S.D. 1, C.D. 1 (2010), enacted as Act 126, which moved the date of the primary election to the second Saturday of August, in order to comply with the forty-five day time period mandated by the NDAA.

While the NDAA was intended to remedy obstacles faced by military personnel and overseas civilians that make it difficult to exercise their right to vote, it has not been entirely successful in accomplishing this goal due to procedural differences between the new federal requirements and state and local elections that are not covered by the federal law. Additionally, there is little consistency among jurisdictions regarding how these state and local elections are conducted. In response, the National Conference of Commissioners on Uniform State Laws developed the Uniform Military and Overseas Voters Act, with the aims of applying the federal statutes to state and local elections and creating uniformity and consistency among jurisdictions. This measure is the product of those efforts.

While the intent of this measure is laudatory, practically speaking, it creates inconsistencies within Hawaii's election laws and requirements that are not necessary to enfranchise uniformed and overseas voters, according to testimony submitted by the Office of the City Clerk. Concerns were raised that this measure will require changes to county ordinances and charters and to state law to address conflicting requirements. Your Committee notes that the Commission to Promote Uniform Legislation and the Office of the City Clerk have been working together to reach a workable compromise on these issues.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1080, 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 (Gabbard).

**SCRep. 561      Judiciary and Labor on S.B. No. 229**

The purpose and intent of this measure is to make it unlawful to discriminate against domestic abuse victims in certain employment-related situations.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission; American Civil Liberties Union of Hawai'i; and Hawaii State Coalition Against Domestic Violence.

Your Committee recognizes the serious and devastating impact that domestic violence has on a women's physical and emotional health and financial security. Domestic abuse takes a heavy toll on victims and their employers, including increased security and safety concerns, reduced productivity, and increased health care costs. As a result, victims of domestic abuse can lose their jobs at a time when employment and financial independence are critical.

Your Committee finds that a domestic abuse victim is vulnerable to being rejected for employment or fired from employment when the victim's employer learns of the abuse. The employer may act on outdated, but commonly held, notions about domestic abuse victims. All too often, domestic violence can jeopardize a survivor's ability to keep and maintain a job because of discrimination and fear. It is not uncommon for domestic violence victims to be fired, demoted, suspended, or forced to quit their jobs after their employers learn of the domestic abuse. Your Committee finds that this measure provides protection to domestic abuse victims at a pivotal point in their recovery.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 229, 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 (Shimabukuro, Slom).

**SCRep. 562      Judiciary and Labor on S.B. No. 1069**

The purpose and intent of this measure is to:

- (1) Create a new offense for cruelty to animals by fighting dogs in the second degree, a class C felony;
- (2) Amend the existing offense of cruelty to animals by fighting dogs to convert that offense to cruelty to animals by fighting dogs in the first degree, and clarify the elements of the offense; and
- (3) Increase the penalty for cruelty to animals by fighting dogs in the first degree from a class C felony to a class B felony.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; the Humane Society of the United States; the Hawaiian Humane Society; the Maui Humane Society; the West Hawaii Humane Society; the Hawaii Veterinary Medical Association; and fifty-eight individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender. Your Committee received comments on this measure from one individual.

Your Committee finds that dogfighting is a brutal practice for the dogs involved, often resulting in the death of the participating dogs by blood loss, shock, dehydration, exhaustion, or infection within hours or days after the fight. Moreover, because the dogs used for fighting have been bred for generations to be dangerously aggressive toward other animals, the presence of these dogs in a community increases the risk of attacks on not only on other animals, but potentially on children, as their small size may cause a fighting dog to perceive a child as another animal.

According to testimony submitted to your Committee, in a recent national ranking of the weakest state dogfighting laws, Hawaii ranked fiftieth, primarily because there is no current penalty for attending or wagering on an organized dogfight. Attendees of dogfights provide much of the profit associated with dogfighting, and admission fees and gambling helps keep dogfighting a thriving business. Because dogfighting itself is illegal, it is not widely publicized. Accordingly, attendees do not merely happen upon a fight; they seek it out. This measure is intended to address the demand of dogfighting, in an attempt to deter this callous practice.

Your Committee also notes that this measure includes a specific prohibition on the use of other animals as bait to train fighting dogs. Some owners train their dogs for fights using smaller animals such as cats, rabbits, or small dogs. These bait animals are often stolen animals, stray pets, or animals obtained through advertisements that offer pets free to a good home. This measure is intended to address these collateral victims of dogfighting.

Your Committee has amended this measure by:

- (1) Deleting the definition of “attending” a dogfight to address potential enforceability issues, as recommended by the Department of the Prosecuting Attorney of the City and County of Honolulu;
- (2) Adding a severability clause; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, 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 (Gabbard, Ihara).

**SCRep. 563      (Majority) Judiciary and Labor on S.B. No. 1076**

The purpose and intent 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 solely because the employee uses accrued and available sick leave.

Your Committee received testimony in support of this measure from the Hawaii Laborers' Union, the International Brotherhood of Electrical Workers, and the Hawaii State AFL-CIO. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, Inc., and its subsidiaries Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited; First Hawaiian Bank; Hawaiian Telcom; Hawaii Credit Union League; and one individual. Your Committee received comments on this measure from the Department of Labor and Industrial Relations.

Your Committee finds that this measure is intended to protect employees who legitimately use accrued and available sick leave benefits from being harassed, intimidated, suspended, terminated, or penalized. As noted by The Chamber of Commerce of Hawaii in oral testimony to your Committee, sick leave is an entitlement. Promising sick leave benefits to an employee as part of an employment package and then penalizing the employee for using those benefits is incongruous and in essence creates a bait-and-switch situation for the employee.

Your Committee notes, however, that there are concerns from employers that employees may abuse sick leave policies, essentially making sick leave paid vacation time. Under this measure, an employer would be unable to discipline employees who misuse their sick leave. In 2010, the Legislature considered and passed a similar measure, S.B. No. 2883, C.D. 1 (2010), which was vetoed by the Governor. S.B. No. 2883, C.D. 1, struck a balance between ensuring that employees could use the sick leave benefits promised by their employers and the ability of employers to protect themselves from employees' misuse of those benefits.

Accordingly, your Committee has amended this measure by:



- (1) Revising the amendment to section 378-32(b) by clarifying that it is unlawful to punish an employee who legitimately uses a negotiated sick leave policy;
- (2) Including provisions from S.B. No. 2883, C.D. 1 (2010), which provides exemptions to employers and labor organizations regarding unlawful practices, as described in this measure, under circumstances in which an employee abuses the use of sick leave or is unable to fulfill the essential job functions or requirements of the employee's position;
- (3) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1076, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1076, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Gabbard).

**SCRep. 564      Judiciary and Labor on S.B. No. 1195**

The purpose of this measure is to prohibit the counting of blank votes and overvotes in determining whether a proposed constitutional amendment has been ratified. The intent of this measure is to change the methodology for counting ballots for the purpose of determining whether a proposed constitutional amendment is ratified by the electorate.

Your Committee received testimony in support of this measure from nine individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender, The League of Women Voters of Hawaii, and Common Cause Hawaii.

Your Committee notes that, while the proposed amendment will make it easier to amend the Hawaii State Constitution, there are concerns that disregarding blank votes and overvotes would decrease the incentive for proponents of constitutional amendments to educate the public of the merits of casting a "yes" vote. Additionally, there is some concern that low voter turnout and low voter interest in a constitutional amendment may result in a relatively few number of voters deciding whether an amendment will be made to the Hawaii State Constitution.

Your Committee has amended this measure by:

- (1) Requiring the affirmative vote of a majority of ballots that are voted either YES or NO (which do not include blank votes) and at least forty percent of all ballots that are voted at a general election (which do include blank votes) or an affirmative vote of a majority of ballots that are voted either YES or NO, which must constitute at least thirty percent of the total number of registered voters at a special election for the ratification of a proposed constitutional amendment;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1195, 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 (Gabbard).

**SCRep. 565      Judiciary and Labor on S.B. No. 1424**

The purpose and intent of this measure is to protect pet animals by creating an offense of confinement of a dog by tethering under certain circumstances.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society, Hawaii Island Humane Society, Maui Humane Society, and one hundred sixty-seven individuals. Your Committee received testimony in opposition to this measure from the Police Department of the City and County of Honolulu. Your Committee received comments on this measure from the Hawaii Cattlemen's Council, Inc. and the Maui Cattlemen's Association.

Your Committee notes that in 2009, the Senate passed Senate Resolution No. 114, S.D. 1 (2009), which requested that the Governor establish a Task Force on Humane Restraint and Confinement of Pet Animals to examine the need for comprehensive legislation addressing the restraint and confinement of pet animals. Because the Task Force was never established, the Hawaiian Humane Society led an informal task force composed of a broad sector of pet-related organizations that included island humane societies, veterinarians, and law enforcement personnel to develop guidelines for a bill that balances the goals of protecting the welfare of dogs with ensuring that any proposed provisions be enforceable. This measure is a product of that task force.

Your Committee received testimony from the Police Department of the City and County of Honolulu regarding enforcement of the law proposed under this measure, expressing concerns that the Police Department does not possess sufficient training to deal with vicious dogs. Your Committee notes, however, that the Police Department is not the only enforcement agency within the City and County of Honolulu. For example, officers of the Hawaiian Humane Society are deputized by the Honolulu Police Department, and as such, can rescue animals and investigate cruelty on behalf of the City and County of Honolulu.

Your Committee has amended this measure 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1424, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 566 Judiciary and Labor on S.B. No. 1481**

The purpose and intent of this measure is to protect residents from obstruction of public access by:

- (1) Amending the offense of obstructing access to public property to include the installment of certain visual impediments; and
- (2) Creating a private right of action to enable a person to enforce the prohibition of access obstruction.

Your Committee received comments on this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that although public access is protected by state law, development pressure is making it difficult for residents to access beach and shoreline areas. Although attempts have been made to address the obstruction of public access routes and public access to the shoreline, your Committee believes that further action is necessary to protect public access to beach and shoreline areas for the enjoyment of the State's residents and visitors.

Your Committee has amended this measure by:

- (1) At the Department of Land and Natural Resources' recommendation, clarifying the definition of "public access corridor" to ensure consistency with section 115-5, Hawaii Revised Statutes, to avoid, among other things, the possibility of frivolous civil actions related to unmaintained features that may not legally qualify as a public transit corridor pursuant to section 115-5;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1481, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 567 Water, Land, and Housing on S.B. No. 283**

The purpose and intent of this measure is to incorporate the definitions, guiding principles, and goals of the Hawaii 2050 Sustainability Plan, into the Hawaii State Planning Act, codified as chapter 266, Hawaii Revised Statutes, as recommended by the University of Hawaii Social Sciences Public Policy Center.

Your Committee received testimony in support of this measure from the University of Hawai'i System, the Hawai'i Energy Policy Forum, The Nature Conservancy, United States Green Building Council Hawai'i Chapter, and two individuals. Your Committee received comments on this measure from the Department of Agriculture; Office of Planning of the Department of Business, Economic Development & Tourism; and Land Use Research Foundation of Hawaii.

In 2008, the Legislature adopted Act 225, Session Laws of Hawaii 2008, directing the University of Hawaii Social Sciences Public Policy Center to review the Hawaii 2050 Sustainability Plan and provide a definitive framework for the Plan, including defined data, data sources, and benchmarks for each of the major goals of the Plan. One of the Center's recommendations is to incorporate the Hawaii 2050 Sustainability Plan's goals and definition of sustainability into the Hawaii State Planning Act, chapter 226, Hawaii Revised Statutes. Your Committee finds that achieving sustainability in Hawaii requires a plan of action with clearly defined objectives and benchmarks. Your Committee further finds that the codification of the guiding elements of the Hawaii 2050 Sustainability Plan under this measure takes an important step toward realizing the vision of a sustainable Hawaii.

Your Committee notes a concern raised in testimony regarding the need to clarify that using the ahupuaa system to guide resource management decisions is not intended to prohibit or impede state and county resource management decisions that are based on the welfare of and benefit to an entire island or the entire State.

Your Committee has amended this measure accordingly by:

- (1) Clarifying that one of the principles of sustainability shall be the consideration of, rather than the mandatory observance of, the principles of the ahupuaa system; 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 283, 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 (Shimabukuro, Tokuda).

**SCRep. 568 Water, Land, and Housing on S.B. No. 683**

The purpose and intent of this measure is to:

- (1) Allow the conveyance of transferable development rights from landowners in Kakaako Makai to landowners in Kakaako Mauka, subject to approval by the Hawaii Community Development Authority; and
- (2) Require the Hawaii Community Development Authority to adopt rules to regulate and authorize these conveyances.

Your Committee received testimony in opposition to this measure from The Outdoor Circle. Your Committee received comments on this measure from the Hawaii Community Development Authority and one individual.

Your Committee finds that the conveyance of transferable development rights provides a potentially powerful land use tool that allows for the preservation of open spaces and historic landmarks, while giving other areas, like Kakaako Mauka, a chance for continued expansion and economic growth.

Your Committee notes that this measure mistakenly amends section 206E-31.5, Hawaii Revised Statutes, to apply the prohibition against residential development to Kakaako Mauka, rather than Kakaako Makai. It is your Committee's intent that the prohibition on residential development shall continue to apply to Kakaako Makai.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 5 to clarify that the prohibition on residential development in section 206E-31.5, Hawaii Revised Statutes, applies to Kakaako Makai and not Kakaako Mauka;
- (2) Amending the definitions of "Kakaako Makai" and "Kakaako Mauka" to conform to the respective definitions under the Hawaii Community Development Authority's administrative rules;
- (3) Adding language to section 6 of the measure to require that the rules adopted by the Hawaii Community Development Authority include a requirement that the Department of Budget and Finance contract with a Hawaii financial institute, as defined in section 412:1-109, Hawaii Revised Statutes, to oversee any transfer of development rights pursuant to this measure;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; 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 Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 683, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 683, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ryan, Shimabukuro, Tokuda).

**SCRep. 569 Ways and Means on S.B. No. 654**

The purpose and intent of this measure is to provide a boost to the construction industry by providing a temporary tax credit for residential construction and remodeling projects.

Your Committee received comments on this measure from Tax Foundation of Hawaii; and Dave Arakawa, Executive Director, Land Use Research Foundation of Hawaii.

Your Committee finds that new tax incentives for the purchase of new homes would help to end the current economic malaise by creating new jobs and stimulating the local economy.

Your Committee has amended this measure by deleting its contents and inserting the contents of Senate Bill 771, which establishes a refundable ohana residential housing income tax credit for qualified taxpayers that purchase a qualified principal residence on or after April 1, 2011, and before January 1, 2013, that is payable to the qualified taxpayer in two equal installments over the immediately following two taxable years.

The measure was subsequently amended by:

- (1) Deleting the definitions of "principal residence" and "newly constructed principal residence" and making conforming amendments;
- (2) Clarifying the definition of "qualified principal residence";
- (3) Clarifying that the phrase "the homeowner's exemption" means a county homeowner's exemption;
- (4) Clarifying that the term "closes" means to close escrow;
- (5) Clarifying that the reference to adjusted gross income of a married couple means the combined adjusted gross income of the couple;
- (6) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (7) 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. 654, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 654, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 570 Ways and Means on S.B. No. 1107**

The purpose and intent of this measure is to exempt from general excise tax amounts received by a common paymaster to pay the remuneration for related persons to the common paymaster.

Your Committee received testimony in support of this measure from Joseph P. Nicolai, President, JN Group, Inc; Dick Isoo Oshima, CPA, Oshima Company CPA; Arvid Tadao Youngquist, Chair and Editor, The Mestizo Association; and twenty-four concerned individuals. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that, due to the high cost of doing business in the State, including the high cost of insurance and the cost of administering and handling payroll, it is not uncommon for companies with multiple related entities to process all employees under one common paymaster.

Your Committee has amended this measure by:

- (1) Exempting from general excise tax amounts received by a related or indirectly related management entity, including salaries, wages and taxes, sick and vacation pay, and pensions and insurance for employees of the related management company;
- (2) Adding language to preserve this exemption from repeal when section 237-24.7, HRS, is reenacted on December 31, 2014;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 1107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1107, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14; Ayes with Reservations (Kim). Noes, none. Excused, none.

**SCRep. 571 (Majority) Ways and Means on S.B. No. 1316**

The purpose and intent of this measure is to conform the state income tax law to the Internal Revenue Code by making conforming amendments based upon amendments to the Internal Revenue Code made in calendar year 2010.

Your Committee conducted a public decision making on a proposed draft of this bill, the purpose of which is also to make conforming amendments to the state income tax law based upon amendments to the Internal Revenue Code made in calendar year 2010. The provisions of the proposed draft implement the conforming amendments to several other sections of state tax law, as well as those made in the original measure.

Your Committee received testimony in support of the original measure from Frederick D. Pablo, Interim Director, Department of Taxation. Your Committee received comments on both the original measure and the proposed draft from the Tax Foundation of Hawaii.

Your Committee finds that the proposed draft makes amendments necessary to conform state income tax law with regard to the overall limitation on itemized deductions, deduction of sales tax, and election to expense certain depreciable business assets.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1316, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Slom). Excused, none.

**SCRep. 572 Judiciary and Labor on S.B. No. 962**

The purpose and intent of this measure is to change references in the Hawaii Revised Statutes by substituting "intellectual disabilities", or like term, wherever the term "mental retardation", or like term, appears.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Kauai Developmental Disabilities Committee, Maui Developmental Disabilities Committee, Disability and Communication Access Board, Special Education Advisory Council, Hawaii Disability Rights Center, Easter Seals Hawai'i, Opportunities and Resources Inc., and twenty-four individuals.

Your Committee finds that individuals with intellectual disabilities are people first, and they have the right to be included and respected in society. Changing references from "mental retardation" to "intellectual disability" within the Hawaii Revised Statutes appropriately reflects current and evolving terminology.

Your Committee also finds that the term "intellectual disability" is recognized by the federal government and implemented through federal laws and regulations. Hawaii will join the country and professional organizations that have changed their language from "mental retardation" to "intellectual disability", and in doing so, respect people first.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 962, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 962, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 573 (Majority) Judiciary and Labor on S.B. No. 40**

The purpose of this measure is to reclassify pseudoephedrine as a schedule V drug, which may only be dispensed with a prescription, with certain exceptions, and to require retail sellers of drugs containing pseudoephedrine to remove these drugs from their over-the-counter inventories no later than July 1, 2011. The intent of this measure is to further control access to pseudoephedrine in an effort to help limit the use of pseudoephedrine in the illegal manufacturing and sale of methamphetamine.

Your Committee received testimony in support of this measure from the Department of Public Safety; the Department of the Prosecuting Attorney, City and County of Honolulu; and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association. Your Committee received comments on this measure from the Legislative Information Services of Hawaii.

Your Committee finds that reclassifying pseudoephedrine as a schedule V drug allows the drug to be regulated as a prescription drug rather than an over-the-counter drug that is easily accessible to methamphetamine manufacturers. Your Committee also finds that by classifying pseudoephedrine as a schedule V drug, it will be subject to registration, labeling, identification, and record keeping requirements, allowing the State to better track its disbursement.

Your Committee has amended this measure by:

- (1) Replacing the term “schedule V” with the term “pseudoephedrine” where added clarity is needed; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 40, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 40, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Shimabukuro).

**SCRep. 574 (Majority) Judiciary and Labor on S.B. No. 171**

The purpose and intent of this measure is to make it unlawful to ignite, possess, sell, or otherwise use aerial luminaries, and to define “aerial luminary”.

Your Committee received testimony in support of this measure from the State Fire Council, Honolulu Fire Department, Kaua'i Fire Department, and Department of Fire and Public Safety of the County of Maui.

Your Committee finds that the uncontrolled release of aerial luminaries is a potential fire hazard that poses a risk of danger to life and property. Known generically as sky lanterns, aerial luminaries rise when a flame is lit and can reach altitudes of one thousand feet but are subject to wind conditions. They can land anywhere, such as on houses, in trees, or on power lines. Aerial luminaries were introduced in Hawaii in large numbers in 2010. Your Committee finds that this measure takes a proactive step in addressing fire hazards before they occur.

Your Committee has amended this measure 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 171, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 171, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 575 Judiciary and Labor on S.B. No. 172**

The purpose and intent of this measure is to:

- (1) Require the labeling of display fireworks;
- (2) Impose certain time restrictions on the use of certain fireworks;
- (3) Require fireworks licenses to provide certain information to the appropriate county fire chief prior to booking shipment; and
- (4) Authorize the appropriate county fire chief to:
  - (A) Conduct an inspection of display personnel and sites to determine compliance with the appropriate county code and current National Fire Protection Safety Standards; and
  - (B) Immediately revoke or suspend any permit for display of aerial devices for specified safety reasons.

Your Committee received testimony in support of this measure from the State Fire Council, the City and County of Honolulu Fire Department, the County of Maui Department of Fire and Public Safety, and one individual.

Your Committee finds that this measure facilitates the arrest and prosecution for the illegal or unpermitted purchase, possession, setting off, igniting, or discharging of fireworks.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 172, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 172, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 576 (Majority) Judiciary and Labor on S.B. No. 643**

The purpose and intent of this measure is to authorize the court to order forfeiture of any vehicle owned by a defendant if the vehicle was used in the commission of the excessive speeding offense and if the defendant has at least two prior excessive speeding convictions.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee has heard the concerns of the Office of the Public Defender that the statute being amended is already unduly harsh with a progressive penalty that has led to unintended consequences, and that forfeiture of motor vehicles of repeat offenders will add further unintended consequences. Your Committee believes that striking a balance between highway safety and the rights of the individual is paramount, and that additional review is required.

Your Committee has amended this measure accordingly by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 643, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 643, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Shimabukuro).

**SCRep. 577 Judiciary and Labor on S.B. No. 1221**

The purpose and intent of this measure is to:

- (1) Require the general contractor and subcontractor for construction procurement to file a certification of compliance with the eighty percent Hawaii resident workforce requirement with the notice of the final completion of the contract;
- (2) Allow a contractor to withdraw a bid prior to an award of a contract if the contractor finds that it cannot comply with the Hawaii resident workforce requirement; and
- (3) Clarify that a general contractor shall not be sanctioned for noncompliance by a subcontractor.

Your Committee received testimony in support of this measure from the General Contractors Association of Hawaii; Building Industry Association of Hawaii; and International Union of Painters and Allied Trades, District Council 50. Your Committee received testimony in opposition to this measure from the Department of Transportation.

Your Committee finds that section 103B-3, Hawaii Revised Statutes, requires that at least eighty percent of the workforce on certain construction projects must be Hawaii residents. Your Committee further finds that this measure is intended to ease the administrative burden on general contractors and subcontractors by requiring them to certify compliance with section 103B-3, Hawaii Revised Statutes, only once, at final completion of the contract. Your Committee also finds that this measure requires general contractors and subcontracts to be held liable for violating the law, but it clarifies that a general contractor will not be sanctioned for noncompliance by a subcontractor. Your Committee believes this measure will facilitate compliance and enforcement of section 103B-3, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1221, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 578      Judiciary and Labor on S.B. No. 1291**

The purpose and intent of this measure is to ensure that Child Protective Act hearings held in accordance with chapter 587A, Hawaii Revised Statutes, are consistent with federal Social Security Act Title IV-E provisions so that Hawaii remains eligible for approximately \$40,000,000 in annual federal funding.

Your Committee received testimony in support of this measure from The Judiciary, Department of the Attorney General, and Department of Human Services.

Your Committee finds that it is necessary to make technical, clarifying changes to chapter 587A, Hawaii Revised Statutes, to further ensure consistency in practice and compliance with federal Title IV-E requirements and to remove any unintended ambiguity under current state law.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1291, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1291, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 579      Judiciary and Labor on S.B. No. 110**

The purpose and intent of this measure is to provide minors with immunity from prosecution for the consumption, purchase, or possession of liquor under limited circumstances where a minor summons medical treatment for another minor who requires medical treatment as a result of consuming liquor.

Your Committee received testimony in support of this measure from the Drug Policy Forum of Hawai'i. Your Committee received testimony in opposition to this measure from the Police Department of the City and County of Honolulu and one individual.

One of the rationales for the prohibition of underage consumption of alcohol is the concern that minors, particularly teenagers, tend to be impulsive and prone to risk-taking, resulting in poor decision-making. While your Committee strongly agrees that consumption of alcohol by minors is not acceptable, your Committee finds that the limited immunity proposed by this measure appropriately prioritizes the idea of saving the lives of minors through facilitating necessary medical treatment for minors who consume an excessive amount of alcohol, rather than prioritizing the arrest of those minors who consume alcohol in those situations. Minors faced with a medical emergency due to the consumption of alcohol may try other methods to revive a victim instead of calling for help, particularly when the result of a 9-1-1 call could result in the caller's arrest. This measure will encourage minors present at the time of a medical emergency to call for help immediately.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 110, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 110, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 580      (Majority) Judiciary and Labor on S.B. No. 173**

The purpose and intent of this measure is to prohibit the retail sale and distribution of novelty lighters within the State.

Your Committee received testimony in support of this measure from the State Fire Council, the Honolulu Fire Department, and the County of Maui Department of Fire and Public Safety. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that novelty lighters are lighters with features that are attractive to children, including visual effects, flashing lights, musical sounds, or toy-like designs. Novelty lighters specifically have been connected to numerous fires across the country. Due to their toy-like appearance, children have mistaken them for toys and have caused property damage, injury, or death. For example, in September 25, 2007, two toddlers from Russellville, Arkansas, died after setting fire to their apartment with a motorcycle-shaped lighter. Because some of these novelty lighters are indistinguishable from common children's toys, their appeal to children is obvious and dangerous.

According to the National Fire Protection Association, from 2004 to 2008, children playing with lighters or matches accounted for over fifty-seven thousand fires, one hundred thirteen civilian deaths, nine hundred sixteen injuries, and \$268,000,000 in property loss. Additionally, forty-seven percent of the individuals who started fires using lighters or matches and sixty-five percent of the resulting fatalities were children five years old or younger.

According to testimony submitted to your Committee, in the City and County of Honolulu, during the period between 2003 and 2010, forty-eight fires were started by children playing with lighters, resulting in two deaths, fifteen fire-related injuries, and property and content damage estimated at \$3,915,900.

Your Committee has amended this measure by:

- (1) Removing the exemption for novelty lighters made in this State; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 173, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 173, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 581      Judiciary and Labor on S.B. No. 782**

The purpose and intent of this measure is to make it unlawful to construct, set off, ignite, discharge, or otherwise cause to explode any homemade explosive device, and establishing the violation of this prohibition as a class C felony.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Office of the Public Defender and one individual.

Your Committee finds that although many Hawaii residents enjoy legal fireworks in accordance with state laws and county ordinances, a minority of people cause disturbances with loud and dangerous homemade explosives. Components of these improvised devices can be highly volatile and susceptible to heat, shock, and friction. Stockpiling homemade explosive device-making materials and completed devices may endanger family members, neighbors, and police and fire department personnel who respond to accidental fires caused by the devices.

Your Committee has amended this measure by:

- (1) Including the possession of homemade explosive devices within the conduct prohibited under this 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 782, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 782, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 582      Judiciary and Labor on S.B. No. 892**

The purpose and intent of this measure is to update and conform state law regarding service animals to the federal Americans with Disabilities Act, Public Law 101-336 (ADA) and the Fair Housing Act, Public Law 100-430 (FHA), by:

- (1) Clarifying section 143-4, Hawaii Revised Statutes (HRS), regarding dog licensing, to appropriately conform provisions applicable to service dogs to the ADA;
- (2) Conforming section 347-13, HRS, relating to public conveyances, to Titles II and III of the ADA; and
- (3) Conforming section 515-3, HRS, regarding discriminatory practices in real estate transactions, to the FHA.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Disability and Communication Access Board, the Hawai'i Civil Rights Commission, and the Hawai'i Legislative Action Committee of the Community Associations Institute.

Your Committee finds that certain state laws regarding service animals are either obsolete or inconsistent with federal law. The ADA and the FHA provide a floor of protection to persons with disabilities and therefore may preempt any conflicting state law unless the state law provides greater or equal protection for persons with disabilities than is provided by the ADA or FHA, as applicable. Your Committee believes that updating and conforming state law to the ADA and FHA will assist persons with disabilities and government and private entities serving the public by assuring that the applicable state laws meet the floor set by the requirements under federal law.

Your Committee has amended this measure by:

- (1) Further amending section 515-3, HRS, regarding discriminatory practices in real estate transactions, to accurately reflect the language in the FHA, as recommended by the Hawai'i Civil Rights Commission;
- (2) Revising the purpose section to accurately reflect the amended purpose of this measure, as recommended by the Hawai'i Legislative Action Committee of the Community Associations Institute; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 892, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 892, S.D. 2.



Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 583      Judiciary and Labor on S.B. No. 921**

The purpose and intent of this measure is to allow a child services provider to provide emergency shelter and related services if the provider obtains the minor's consent in lieu of the consent of the minor's parent, legal guardian, or custodian, to protect the health and safety of the minor.

Your Committee received testimony in support of this measure from the Hawaii Youth Services Network, Planned Parenthood of Hawaii, and four individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that this measure will increase the safety of minors who are runaways or homeless by allowing them to consent for admission to an emergency youth shelter if their parents or guardians cannot be reached to provide consent or if the parent refuses consent but will not allow the minor to return home. As raised in testimony submitted to your Committee, minors become homeless for a variety of reasons. According to the National Runaway Switchboard, the most common reason for young people wanting to run away or to actually leave home is conflict at home. Parental or guardian consent may not be available because a parent is unreachable or unwilling to consent, or because reaching out to the parent or guardian may jeopardize the minor's safety and wellbeing. Allowing a minor to consent to emergency shelter and related service in lieu of parental or guardian consent safeguards the minor while not placing the provider into a precarious legal situation for attempting to help the minor.

Your Committee has amended this measure by:

- (1) Conforming subsection (g) of the proposed new statutory section, relating to the good faith effort required by the provider to contact the minor's parent, guardian, or custodian, to the provisions regarding the minor's consent in the proposed subsection (b);
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 921, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 584      Judiciary and Labor on S.B. No. 934**

The purpose and intent of this measure is to protect students from bullying and cyberbullying by:

- (1) Establishing a bullying and cyberbullying policy for all public schools;
- (2) Requiring implementation of the policy in all public schools;
- (3) Establishing bullying and cyberbullying reporting requirements for all public and private schools;
- (4) Requiring the Department of Education and the Charter School Review Panel to each submit an annual report to the Legislature on the status of the implementation of the policy established pursuant to this Act, statistics on bullying and cyberbullying, and the impact of the policy on bullying and cyberbullying in the schools; and
- (5) Establishing a misdemeanor offense of bullying or cyberbullying a minor.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; the Democratic Party of Hawai'i; Mental Health America of Hawai'i; Hawaii Safe Schools Coalition; a Board of Education member; and nine individuals. Your Committee received testimony in opposition to this measure from the Department of Education; the American Civil Liberties Union of Hawai'i; and the Board of Education student member.

Your Committee finds that bullying and cyberbullying are serious national and local problems. According to testimony submitted to your Committee, Hawaii has the highest rate in the nation of teenage girls and a higher-than-average rate of boys who missed school because they were afraid. Recently, a girl and her family sued the United States Department of Education because the school she attended on Oahu failed to stop the bullying to which she was subjected.

Your Committee understands that the Board of Education has updated the student discipline code, title 8, chapter 19, Hawaii Administrative Rules, to include cyberbullying and added protected classifications for students. The Board of Education (BOE) has also adopted a policy to affirm its stance against bullying, harassment, and discrimination of students by employees. Additionally, the BOE has proposed amendments to Hawaii Administrative Rules section 8-41 to bring their student civil rights complaint procedures into compliance with the recommendations the BOE received from the Department of Education's Safe Schools Community Advisory Committee.

However, while these developments by the BOE are excellent first steps, codifying regulations and policies into law would allow for better and more consistent enforcement of these provisions and give students greater protection against this devastating conduct. Your Committee believes that it is the State's obligation to assure that our children are provided a safe and positive learning environment, free from harassment.

Your Committee also notes that the measure as received included a reporting requirement for private schools. While your Committee believes that private schools may be instructed to report incidents of cyberbullying and bullying, in an abundance of

caution, your Committee believes that this reporting requirement for private schools should be deleted. Your Committee believes that subsequent committees considering this measure or subsequent legislatures considering the impacts of the amendments proposed in this measure may wish to reinsert this reporting requirement for private schools.

Your Committee has amended this measure by:

- (1) Deleting the reporting requirements for private schools;
- (2) Making amendments recommended by the Department of the Prosecuting Attorney of the City and County of Honolulu, including the:
  - (A) Deletion of the limitation that cyberbullying using computer networks only include computer networks of a public school;
  - (B) Revision of the application of the bullying and cyberbullying policy to an electronic communication that is expected to have the effect of insulting or demeaning any student or groups of students in any way, rather than in such a way as to cause substantial disruption in or substantial interference with the orderly operation of the school;
  - (C) Addition to the definition of bullying or cyberbullying of the intended effect of emotional harm to a student; and
  - (D) Mandate that no student of a charter school shall be subjected to bullying or cyberbullying at any time, rather than within a list of school contexts;
- (3) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 934, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 934, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 585 Water, Land, and Housing on S.B. No. 1215**

The purpose and intent of this measure is to create a task force under the University of Hawai'i Kapiolani Community College to conduct a study of the feasibility of transferring certain lands currently under the jurisdiction of the Department of Land and Natural Resources to Kapiolani Community College for a legacy center for the 100th Infantry Battalion/442nd Regimental Combat Team (100th/442nd RCT).

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the University of Hawai'i System, and the 442nd Regimental Combat Team Veterans Club. Your Committee received comments on this measure from the Diamond Head Citizens Advisory Committee and one individual.

Your Committee finds that a proposed legacy center for the 100th/442nd RCT would promote the story of the 100th/442nd RCT and preserve a mounting collection of historical material including photographs, letters, documents, publications, artifacts, audio-visual material, and wartime memorabilia. The center would also serve as a focus for the presentation of the archived materials as an educational resource for students, teachers, researchers, authors, and the general public.

Your Committee has amended this measure by:

- (1) Adding language to require the task force to consider alternative sites for the legacy center, including a portion of the former Canon Club, which is identified as tax map key number (1) 3-1-42:011, and which is currently leased to the University of Hawai'i and identified for addition to the Diamond Head State Monument under Executive Order No. 3918;
- (2) Deleting language that would have required the task force to consider issues relating to the effects of the center on a certain subsurface water tunnel, costs to the Department of Land and Natural Resources, and sharing of property between the University of Hawai'i and the Department of Land and Natural Resources; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1215, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1215, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Tokuda).

**SCRep. 586 Water, Land, and Housing on S.B. No. 897**

The purpose and intent of this measure is to:

- (1) Require the Hawaii Housing Finance and Development Corporation, Homeless Programs Office of the Department of Human Services, and Hawai'i Association of REALTORS to conduct a survey to identify and inventory vacant housing units statewide that could be used as affordable rental housing; and
- (2) Require those agencies to report annually to the Governor and the Legislature on the results of the survey.

Your Committee received testimony in support of this measure from the Hawaii Catholic Conference and the Hawaii Family Forum. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation, Hawai'i Association of REALTORS, and Kanani Kaaiawahia Bulawan.

Your Committee finds that this measure attempts to address the needs of the growing homeless population in Hawaii and to increase the inventory of affordable rental housing by gathering data regarding vacancies and vacancy rates for affordable housing.

After considering the testimony received, your Committee finds that this measure does not meet its stated purpose of addressing the shortage of affordable rentals and would be costly to implement. A survey of vacant affordable housing requires data regarding vacancies, which would be a mere product of the specific point in time at which the data was collected. Vacancy rates change daily as tenants give notice and others are placed in units. Thus, the proposed survey would fail to credibly reflect current vacancies and vacancy rates.

Your Committee further finds that S.B. No. 900, S.D. 1, establishes a Hawaii Interagency Council on Homelessness and provides for the specific duties of the Council. Your Committee believes that S.B. No. 900, S.D. 1, addresses the shortage of affordable rentals, and could be implemented at a savings to taxpayers. Accordingly, your Committee has amended this measure by:

- (1) Removing its contents and replacing them with the contents of S.B. No. 900, S.D. 1, except for section 6 of S.B. No. 900, S.D. 1, and all references to that section, which appropriates funds for administrative expenses;
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 897, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 897, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Tokuda).

**SCRep. 587      Ways and Means on S.B. No. 1290**

The purpose and intent of this measure is to increase the limit that the Department of Hawaiian Home Lands is authorized to borrow or guarantee to cover the Department's guarantee requirements for its housing program.

Your Committee received written comments in support of this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that increasing the amount that the Department is authorized to borrow or guarantee will allow the Department to increase construction of affordable homes, thereby increasing housing stock for native Hawaiian beneficiaries, while concomitantly creating jobs and infusing money into the State's economy.

Your Committee has amended this measure by:

- (1) Changing the limit that the Department is authorized to borrow or guarantee to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 1290, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1290, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 588      Ways and Means on S.B. No. 1217**

The purpose and intent of this measure is to increase learning opportunities for students by establishing a pilot project that expands the Hawaii virtual learning network e-school program to include Lanai High and Elementary School.

Your Committee received written comments in support of this measure from Robbie Alm, Executive Vice President, Hawaiian Electric Company, Inc.

Your Committee finds that online educational courses provide a means to overcome challenges, such as limited school funding, classroom sizes, the availability of qualified teachers, and geographic location. The Hawaii virtual learning network was established to address these challenges by coordinating and expanding online courses that offer students and educators a wide array of educational opportunities. This measure provides these advantages to students on Lanai to ensure their access to basic educational courses required for graduation.

Your Committee has amended this measure by:

- (1) Requiring DOE to allow online education curriculum providers to partner with the Hawaii virtual learning network if the providers comply with applicable federal and state education standards;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this issue; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1217, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1217, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 589      Ways and Means on S.B. No. 242**

The purpose and intent of this measure is to increase government efficiency by repealing certain reporting requirements for the University of Hawaii and requiring the Western Interstate Commission for Higher Education Commission to report to the Legislature only every odd-numbered year, rather than annually.

Your Committee received testimony in support of this measure from Linda K. Johnsrud, Executive Vice President for Academic Affairs and Provost, University of Hawaii System.

Your Committee finds that the University of Hawaii is required to make unnecessary, duplicative reports to the Legislature. This measure repeals outdated reporting requirements.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 242, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 242, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 590      Ways and Means on S.B. No. 772**

The purpose and intent of this measure is to expand renewable energy production in the State by:

- (1) Renaming the “ethanol facility tax credit” to the “biofuel production facility tax credit” and expanding application of the tax credit to include various biofuels;
- (2) Changing the determination of the biofuel production facility tax credit from thirty per cent of nameplate capacity to 30 cents per gallon of production;
- (3) Requiring qualified facilities to be located within the State and to utilize locally grown feedstock for at least seventy-five per cent of its production output;
- (4) Changing the amount of certified credits from \$12,000,000 to an unspecified amount;
- (5) Revising the reporting requirement for taxpayers claiming the tax credit to include type of biofuel and percentage of Hawaii-grown feedstock used; and
- (6) Removing the forty million gallon production cap per year.

Your Committee received written comments in support of this measure from Richard Lim, Interim Director, Department of Business, Economic Development, and Tourism; and Warren Bollmeier II, President, Hawaii Renewable Energy Alliance.

Your Committee received comments on the measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure encourages higher levels of renewable energy production, while balancing possible tax revenue losses against revenue gains and growth from industry expansion. Although the ethanol facility tax credit was established in 2004, the production costs of ethanol and biofuel have risen steeply, forcing the closure of production facilities throughout the nation.

Your Committee further finds that this measure supports growth in the renewable energy industry and enables a broader variety of companies to take advantage of the tax benefits of a biofuel production facility tax credit.

Your Committee has amended this measure by changing the amount of the biofuel production facility tax credit from 30 cents to an unspecified amount to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 772, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 772, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kidani, Kouchi).

**SCRep. 591      (Majority) Ways and Means on S.B. No. 788**

The purpose and intent of this measure is to ensure that patients who are waitlisted for long-term care receive appropriate medical care.

Specifically, this measure:

- (1) Requires the Department of Human Services to presume Medicaid eligibility for qualified patients who have been waitlisted for long-term care;

- (2) Appropriates funds to the Department of Human Services for reimbursements for services provided during the time that patients who are waitlisted are enrolled in Medicaid and later disenrolled as a result of ineligibility; and
- (3) Requires the Department of Human Services to conduct a study to determine the feasibility of implementing a computerized system to process Medicaid applications.

Your Committee received written comments in support of this measure from John M. Kirimitsu, Kaiser Permanente; and Christina Donkervoet, Director of Care Coordination and Patient Flow, The Queen's Medical Center.

Your Committee received written comments in opposition to the measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that it costs Hawaii hospitals millions of dollars in lost revenues when there are delays in discharging patients who have applied for Medicaid and are waitlisted for long-term care. The discharge times range from a few days to more than a year for waitlisted patients who are deemed medically ready for discharge and are no longer in need of acute care services, but who cannot be discharged due to various barriers including delays in Medicaid eligibility determinations.

It puts a tremendous strain on the patient, the health care provider, and the overall health care service sector when waitlisted patients are ready for discharge, but must remain in acute care until their Medicaid applications are processed.

Developing a long-term solution to the problems associated with the Medicaid eligibility and re-eligibility determinations will ease some of the burden on Hawaii hospitals and improve the quality of life for patients who then become eligible for an earlier discharge.

Your Committee has amended this measure by:

- (1) Changing the appropriation 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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 788, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 788, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kim, Kouchi).

**SCRep. 592      Ways and Means on S.B. No. 116**

The purpose and intent of this measure is to authorize the Hawaii Tourism Authority to support traditional Hawaiian arts and cultural activities, including Hawaiian music, dance, and arts and crafts.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs. Your Committee received comments on this measure from Mike McCartney, Hawaii Tourism Authority.

Your Committee finds that this measure furthers the objective of continued support by the tourism industry of the perpetuation and preservation of Hawaiian cultural practices and values by authorizing the Hawaii Tourism Authority to support and promote Hawaiian pre-contact arts and cultural activities.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 116, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 116, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 593      Ways and Means on S.B. No. 1326**

The purpose and intent of this measure is to expand cost sharing in state or county projects, which is currently limited to projects involving relocation of utility facilities, to include work such as undergrounding and installation of new facilities.

Your Committee finds that this measure will improve the efficiency of contracting for utility work along state and federally funded roads by allowing contracts to be executed in a timely fashion upon agreement of the State and the utility companies.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 1326, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1326, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 594 (Majority) Ways and Means on S.B. No. 1082**

The purpose and intent of this measure is to appropriate funds for all collective bargaining cost items, salary increases, and other cost adjustments for state employees and officers in the Executive Branch, the Judiciary, and the Hawaii Health Systems Corporation, in collective bargaining unit (3) and its excluded counterparts.

Your Committee received comments in support of this measure from Randy Perreira, Executive Director, Hawaii Government Employees Association.

Your Committee received comments in opposition to this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that appropriations are necessary to cover the collective bargaining costs, salary increases, and other cost adjustments for the members of collective bargaining unit (3) and its excluded counterparts.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 1082, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1082, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 595 Ways and Means on S.B. No. 808**

The purpose and intent of this measure is to improve the ability of the Board of Education to recruit and retain education officials, by removing the cap on the salaries of the deputy superintendent, assistant superintendents, and complex area superintendents that limited those salaries to not more than eighty per cent of the superintendent of education.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that this measure increases the Board of Education's flexibility to establish salaries that will attract a larger pool of qualified candidates for leadership positions within the Department of Education.

Your Committee has amended this measure by 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 808, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 808, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 596 Ways and Means on S.B. No. 1331**

The purpose and intent of this measure is to require the University of Hawaii to report projected cash flow and related estimates for certain special and revolving funds whose unencumbered cash balances or cash deficits exceed a specified percentage of the previous fiscal year's expenditures.

This measure also appropriates funds to the University of Hawaii for the completion and implementation of the of the Kualii financial system.

Your Committee received comments in support of this measure from Howard Todo, Vice President for Budget and Finance/Chief Financial Officer, University of Hawaii System.

Your Committee finds that this measure will result in improved efficiencies, greater accountability, and improved financial and decision-support reporting for stakeholders at all levels.

Your Committee has amended this measure by:

- (1) Changing the cash balance or deficit amounts and expenditure percentages to unspecified amounts and percentages;
- (2) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the matter; and
- (3) Making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1331, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1331, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 597 Ways and Means on S.B. No. 261**

The purpose and intent of this measure is to establish a museum of Hawaiian music and dance design committee to prepare specifications for the design of a museum of Hawaiian music and dance.

Your Committee received written comments in support of this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism; the Office of Hawaiian Affairs; and Mike McCartney, Interim President and Chief Executive Officer, Hawaii Tourism Authority. Your Committee received written comments in opposition to this measure from Gregory Swartz.

Your Committee finds that the establishment of a museum of Hawaiian music and dance will act to preserve and perpetuate the Hawaiian culture and promote an appreciation for these art forms.

Your Committee has amended this measure to:

- (1) Change the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 261, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 261, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Espero). Noes, none. Excused, 1 (Kouchi).

**SCRep. 598 Ways and Means on S.B. No. 145**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate the revenues derived therefrom to provide additional funding needed for the repair and maintenance of irrigation systems throughout the State.

Your Committee received written comments in support of this measure from Russell Kokubun, Chairperson, Department of Agriculture; Stephanie Whalen, Executive Director, Hawaii Agriculture Research Center; Hawaii Farm Bureau Federation; Dave Arakawa, Executive Director, Land Use Research Foundation of Hawaii; and Rodney Haraguchi.

Your Committee finds that sufficient funding to maintain and improve irrigation systems is needed to ensure that the State's crops receive a steady and dependable supply of water.

Your Committee has amended this measure by:

- (1) Authorizing the Director of Finance to issue an unspecified amount of general obligation bonds for the agricultural water use and development plan;
- (2) Changing all general obligation bond amounts to unspecified sums; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 145, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 145, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Fukunaga, Kidani).

**SCRep. 599 Ways and Means on S.B. No. 893**

The purpose and intent of this measure is to:

- (1) Direct the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to contract for a telephone-based service to provide access to timely print media; and
- (2) Appropriate funds to establish and maintain the telephone-based service.

Your Committee received testimony in support of this measure from Milton Ota, Sponsor Agent, National Federation of the Blind of Hawaii, NFB Newsline Program; Kyle S. Laconsay, President, National Federation of the Blind, Hawaii; and ten individuals.

Your Committee finds that access to newspapers, publications, and other time-sensitive material via a telephone-based service is an important service to many blind and visually-impaired individuals. However, your Committee notes that concerns have been raised as to whether the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services has a special fund at its disposal to establish and maintain such a system.

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 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. 893, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 893, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 600      Ways and Means on S.B. No. 26**

The purpose and intent of this measure is to eliminate multiple fees for advanced practice registered nurses (APRNs).

Specifically, this measure:

- (1) Prohibits fees relating to the grant of prescriptive authority for APRNs; and
- (2) Limits APRN fees to registered nurse licensing fees and the Center for Nursing fee paid by every nurse for license issuances and renewals.

This measure also requires nurses, when renewing their licenses and paying the license renewal fee, to complete a survey as deemed necessary by the Hawaii State Center for Nursing.

Your Committee received written comments on this measure from Jo Ann Uchida, Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office; and Lee Ann Teshima, Executive Officer, Board of Nursing.

Your Committee finds that APRNs are required to pay multiple professional fees that include registered nurse licensing, APRN licensing, and certification of prescriptive authority. Consequently, APRNs are treated differently from members of other professions regulated by the Department of Commerce and Consumer Affairs, and the imposition of multiple fees poses potential barriers to APRN licensure and practice.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 26, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 26, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 601      (Majority) Ways and Means on S.B. No. 722**

The purpose and intent of this measure is to improve Hawaii's energy self-sufficiency and by redistributing the portion of the state environmental response, energy, and food security tax that is currently going to the general fund to the energy security special fund, the agricultural development and food security special fund, and the special account of the general fund used for the operations of the Climate Change Task Force.

Your Committee received written comments in support of this measure from Richard C. Lim, Interim Director, Department of Business and Economic Development & Tourism; Sylvia Yuen, Interim Dean and Director of the College of Tropical Agriculture and Human Resources, University of Hawaii; The Nature Conservancy; Pono Shim, President and Chief Executive Officer, Enterprise Honolulu, Oahu Economic Development Board; Gwen Yamamoto Lau, Hawaii Community Reinvestment Corporation; William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Russell S. Kokubun, Chairperson, Department of Agriculture, Board of Agriculture; Robert D. Harris, Director, Sierra Club, Hawai'i Chapter; Jeff Mikulina, Executive Director, Blue Planet Foundation; and two individuals.

Your Committee received testimony in opposition to this measure from Kalbert Young, Director, Department of Budget and Finance.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the original intended use of the state environmental response, energy, and food security tax was for energy self-sufficiency and sustainable agriculture to increase Hawaii's energy and food security. Your Committee further finds that this measure better fulfills the original intent of the tax and makes the State more secure.

Your Committee has amended this measure by:

- (1) Changing the amount of the state environmental response, energy, and food security tax to an unspecified amount per each barrel of petroleum product;
- (2) Changing all allocations from the state environmental response, energy, and food security tax to unspecified amounts;
- (3) Adding a new section to extend of the sunset date of the Climate Change Task Force to an unspecified date;
- (4) Adding a provision to preserve the amendments made to section 243-3.5(a), Hawaii Revised Statutes, by this measure from repeal and reenactment of that section on June 30, 2015, pursuant to section 14 of Act 73, Session Laws of Hawaii 2010; and
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 722, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 722, S.D. 2.



Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Dela Cruz, English, Kim, Ryan, Tokuda, Wakai). Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 602      Ways and Means on S.B. No. 1285**

The purpose and intent of this measure is to include agency-wide technology and computer systems with an estimated useful life of greater than seven years as capital investments to allow financing with bond funds and depreciation as capital investments.

Your Committee received testimony in support of this measure from Kalbert K. Young, Director, Department of Budget and Finance; and Bruce A. Coppa, Comptroller, Department of Accounting and General Services.

Your Committee finds that there is a pressing need to upgrade the legacy systems and hardware of state agencies to ensure reliable, efficient, and effective technology solutions. The Department of Accounting and General Services has testified that financing these upgrades through general fund appropriations would be unrealistic. Your Committee also finds that treating these upgrades as capital investments and allowing them to be financed with bond funds is a viable funding alternative.

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. 1285, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1285, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 603      Ways and Means on S.B. No. 414**

The purpose and intent of this measure is to give Hawaii Health Systems Corporation the ability to fully utilize its real property assets for the benefit of the community.

Specifically, this measure:

- (1) Authorizes the Hawaii Health Systems Corporation to mortgage its real property; and
- (2) Clarifies that the dollar cap on municipal leasing authority applies to each regional system.

Your Committee received comments on this measure from Nora Nomura, Deputy Executive Director, Hawaii Government Employees Association.

Your Committee finds that the Legislature determined through Act 182, Session Laws of Hawaii 2009, that it was in the State's best interest to prohibit Hawaii Health Systems Corporation from granting mortgages on its real property to secure loans and revenue bonds. The economic downturn, however, combined with the inability to leverage its asset of real property by pledging it as collateral, has hindered Hawaii Health Systems Corporation's ability to obtain outside financing. Your Committee further finds that this measure will alleviate confusion surrounding the issue of whether the aggregate limit on the Corporation's municipal leasing authority applies to the entire Hawaii Health System Corporation as a whole, or to each individual region. This measure will enable Hawaii Health Systems Corporation to better obtain financing and refinance loans for more favorable terms and, consequently, provide better health care to patients.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 414, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 414, S.D. 3.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 604      Ways and Means on S.B. No. 883**

The purpose and intent of this measure is to make available to qualifying Gold Star family members special motor vehicle license number plates.

Your Committee received comments in support of this measure from Gail Y. Haraguchi, Director, Division of Motor Vehicle, Licensing and Permits, City and County of Honolulu; and Gregory Jackson, Director, Office of Veterans' Services.

Your Committee finds that the issuance of special vehicle license number plates is an excellent way to recognize and honor persons whose family members have fallen while serving our country in the military.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 883, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 883, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 605      Ways and Means on S.B. No. 1476**

The purpose and intent of this measure is to decrease Hawaii's reliance on imported fossil fuel by issuing special purpose revenue bonds to assist BioEnergy Hawaii, LLC, in establishing a cogeneration facility and related energy production facilities for electrical output or biofuels energy, or both.

Your Committee received comments in support of this measure from Guy Kaniho, General Manager, BioEnergy Hawaii, LLC; and Dante Carpenter, Pacific Waste, Inc.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that the benefits of a cogeneration facility include reduced dependence on imported fossil fuels, reduced greenhouse gas emissions, and the creation of local technical and semi-technical jobs. Your Committee notes the comments submitted by the Director of Finance indicating that, under the Internal Revenue Code, there may be a \$10,000,000 limitation on the amount of tax-exempt financing for industrial projects and recommending that BioEnergy Hawaii, LLC, consult with a bond counsel firm to determine if the project qualifies for the full amount of tax-exempt financing being requested.

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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1476, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1476, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 606      Ways and Means on S.B. No. 652**

The purpose and intent of this measure is to improve the current non-judicial foreclosure law, based largely upon the proposals of the Mortgage Foreclosure Task Force.

Specifically, this measure will, among other things, authorize homeowners of an impending foreclosure to convert a non-judicial foreclosure to a judicial foreclosure and protect them from a deficiency judgment in a non-judicial foreclosure.

Your Committee received comments in support of this measure from Stephen Levins, Executive Director, Office of Consumer Protection, Department of Commerce and Consumer Affairs; Rick Tsujimura, Mortgage Bankers Association of Hawaii; and Gary Y. Fujitani, Executive Director, Hawaii Bankers Association.

Your Committee received comments on this measure from Rodney A. Maile, Administrative Director of the Courts, Judiciary of the State of Hawaii.

Your Committee finds that the Mortgage Foreclosure Task Force was established under Act 162, Session Laws of Hawaii 2010, and represented a broad cross section of the community, including borrowers and lenders. Accordingly, the task force obtained input from virtually all interested parties, and due to its strong commitment to improving the mortgage foreclosure laws in Hawaii and the hundreds of hours of hard work exerted by its members, the task force reached a consensus on several important proposals. Your Committee believes that these proposals represent significant improvements to the current non-judicial foreclosure law in Hawaii.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, in order to facilitate further discussion on the matter; 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. 652, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 652, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 607      Ways and Means on S.B. No. 931**

The purpose and intent of this measure is to ensure adequate resources for early childhood education by requiring the Early Learning Council (Council) to:

- (1) Perform a fiscal mapping study, with assistance from the departments of Education, Health, and Human Services, to identify sources of funding for the Council; and
- (2) Report its findings to the Legislature before the 2012 Regular Session.

Your Committee received comments in support of this measure from Patricia McManaman, Interim Director, Department of Human Services; Katherine Murphy, Executive Director, Hawaii Association for the Education of Young Children; Elizabeth Chun, Executive

Director, Good Beginnings Alliance; Dee Jay Mailer, Chief Executive Officer, Kamehameha Schools; and Dr. Robert Peters, Chair, Early Learning Council.

Your Committee finds that the Early Learning Council was established to develop and administer the early learning system under section 302L-2, Hawaii Revised Statutes, for the education of children from birth until the time they enter kindergarten. This measure will help the Council formulate long-term and fiscally responsible plans to administer the early learning system.

Your Committee has amended this measure by:

- (1) Clarifying that the Council is to identify sources of funding for the early learning system;
- (2) Requiring the Council to report its progress, rather than findings, to the Legislature prior to the 2012 Regular Session; and
- (3) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 931, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 608      Judiciary and Labor on S.B. No. 824**

The purpose and intent of this measure is to make null and unenforceable any portion of a motor carrier transportation services contract or agreement that requires the carrier to indemnify, defend, or hold harmless the other party to the contract from any liability for that party's negligence or intentional acts or omissions.

Your Committee received testimony in support of this measure from the Hawaii Transportation Association and one individual.

Your Committee finds that this measure aims to protect innocent parties in transportation contracts that purport to make an innocent party indemnify a culpable party for the culpable party's own negligence or intentional acts or omissions. Under these indemnification provisions, motor carriers become an insurer for the indemnitees. Your Committee believes that these types of provisions are unconscionable and overly burdensome on motor carriers, which tend to be small, locally owned businesses that do not have sufficient bargaining power to negotiate these provisions out of their transportation services contracts.

Your Committee also observes that although a motor carrier may obtain insurance to cover this type of potential liability, the cost to insure the other party's own negligence or intentional acts or omissions still falls inequitably on the motor carrier.

Your Committee has amended this measure by:

- (1) Requiring insurance companies that provide insurance coverage to motor carriers covering the indemnification of the other party to refund any portion of a motor carrier's premiums applicable to the indemnification for any transportation services contract affected by this measure, thereby providing assurance that motor carriers are not paying for unnecessary insurance coverage;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 824, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 824, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 609      Judiciary and Labor on S.B. No. 1059**

The purpose and intent of this measure is to prohibit certain businesses from distributing single-use plastic checkout bags at the point of sale, with certain exceptions, and thereby reduce waste generation within the State.

Your Committee received testimony in support of this measure from the Hawaii Audubon Society; Surfrider Foundation, Hawai'i Chapters; Sierra Club, Hawai'i Chapter; and twelve individuals. Your Committee received testimony in opposition to this measure from the Department of Health, Hawaii Food Industry Association, Conservation Council for Hawai'i, American Chemistry Council, and Retail Merchants of Hawaii. Your Committee received comments on this measure from The Safeway Companies and Times Supermarkets.

Your Committee finds that single-use plastic checkout bags, as defined in this measure, present a hazard to the environment that this measure seeks to address. Your Committee acknowledges that this measure proposes to implement one of several methods of addressing the hazard to the environment caused by the unregulated distribution of plastic bags. While alternative methods have been proposed, your Committee finds that it is appropriate to move forward with the method proposed in this measure.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1059, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1059, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 610 Public Safety, Government Operations, and Military Affairs on S.B. No. 1332**

The purpose and intent of this measure is to extend the provisions of Act 82, Session Laws of Hawaii 2010, which exempts the University of Hawai'i from specific provisions of the Hawaii Public Procurement Code, with certain exceptions, until July 1, 2015. This measure also adds requirements for the report of the University of Hawai'i to the Legislature as required under Act 82.

Your Committee received testimony in support of this measure from the University of Hawai'i System. Your Committee received testimony in opposition to this measure from the State Procurement Office.

Your Committee finds that Act 82, Session Laws of Hawaii 2010, was enacted to afford the University of Hawai'i flexibility to pilot revisions to its procurement procedures in order to accelerate the acquisition of goods, services, and construction while obtaining best value and maintaining transparency and fairness in the procurement process. Your Committee further finds that because new construction projects often take longer than the two year window afforded by Act 82, an extension of Act 82 will provide the University of Hawai'i with a more reasonable amount of time to examine performance indicators and determine the effectiveness of its procurement process.

Your Committee concurs with your Committee on Education in that the Legislature needs more specific information on the nature and extent of ongoing construction projects of the University of Hawai'i, including a list of contracts, a description of the status of procured projects, and the costs of the projects. Your Committee believes that it is a function of the Legislature to hold agencies accountable for expenditures of public funds, and therefore the Legislature needs to be provided with certain information regarding those construction projects.

Furthermore, your Committee's intent is for the reports to be an informational tool to enable your Committee to enact revisions to the Hawaii Public Procurement Code to improve procurement not only for the University of Hawai'i but also for all agencies.

Your Committee has amended this measure by:

- (1) Moving up the sunset date of Act 82 from July 1, 2015, to July 1, 2014, thereby shortening the period for the University's procurement exemptions and annual reporting requirements;
- (2) Requiring the Board of Regents to consult with the State Procurement Office for purposes of proposing legislative recommendations and statutory amendment changes;
- (3) Limiting the projects subject to reporting requirements under this measure to construction projects in excess of \$3,000,000, and removing the reporting requirement for informal complaints from subcontractors;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (5) Deleting unnecessary statutory amendment provisions.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1332, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1332, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 611 Judiciary and Labor on S.B. No. 41**

The purpose and intent of this measure is to repeal the sunset provision of the Hawaii Prepaid Health Care Act and repeal Act 99, Session Laws of Hawaii 1994, which would repeal the sunset provision of the Hawaii Prepaid Health Care Act upon the enactment of certain federal law.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii Medical Service Association; International Longshore and Warehouse Union, Local 142; American Cancer Society; and one individual. Your Committee received comments on this measure from the Department of the Attorney General; Department of Commerce and Consumer Affairs; Hawaii Medical Association; The Chamber of Commerce of Hawaii; and Healthcare Association of Hawaii.

Your Committee finds that for over thirty years, Hawaii's Prepaid Health Care Act has made the State a national leader in providing health care to all of its residents. Your Committee also finds that at the time of the initial passage of the Prepaid Health Care Act and at certain other times federal legislation to reform the health care system on a national level has been projected to impact Hawaii's Prepaid Health Care Act. At the time of the Prepaid Health Care Act's original passage in 1974, the Legislature included a section that triggered the termination of the state law upon passage of greater federal protections. In 1994, in anticipation of the federal health care reforms of 1993 that never actually materialized, the Legislature passed Act 99, which repeals the termination provision of the Prepaid Health Care Act in order to preserve a higher benefit level for the people of Hawaii than that which was predicted to be included in the potential federal law.

Your Committee finds that the Prepaid Health Care Act provides superior benefits to the people of Hawaii than federal legislation would on its own. Your Committee further finds that the reported agenda of the One Hundred Twelfth Congress to dismantle federal health care reforms may jeopardize the Prepaid Health Care Act. Therefore, in order to safeguard the Prepaid Health Care Act more completely, your Committee finds it necessary to eliminate language allowing for the automatic repeal of Hawaii's Prepaid Health Care Act from the text of that Act and to eliminate potentially conflicting language regarding the effective date of the Prepaid Health Care Act's automatic repeal.

Your Committee finds that the federal Employee Retirement Income and Security Act (ERISA) has a preemption provision that provides that ERISA supersedes state laws as they relate to employee benefit plans. The ERISA provides for an exemption from preemption for Hawaii's Prepaid Health Care Act, but the exemption expressly does not cover any amendments to Hawaii's Prepaid Health Care Act made after September 2, 1974. Your Committee recognizes that the amendment to the Prepaid Health Care Act in this measure may be preempted by ERISA but that the preemption would only apply to the amendment, not to the Prepaid Health Care Act as it exists today.

Your Committee has amended this measure by;

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 41, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 41, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 612 Ways and Means on H.B. No. 827**

The purpose and intent of this measure is to appropriate funds for the expenses of the Legislature, Office of the Auditor, Legislative Reference Bureau, Office of the Ombudsman, and the Hawaii State Ethics Commission.

Your Committee received testimony in support of this measure from Marion M. Higa, State Auditor, Office of the Auditor; Robin K. Matsunaga, Ombudsman, Office of the Ombudsman; and Leslie H. Kondo, Executive Director, Hawaii State Ethics Commission. Comments were received from Charlotte A. Carter-Yamauchi, Acting Director, Legislative Reference Bureau.

Your Committee finds that this measure appropriates sufficient funds to support the operations of the Legislature, its service agencies, and the Hawaii State Ethics 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 is in accord with the intent and purpose of H.B. No. 827, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, English, Fukunaga, Kim).

**SCRep. 613 Ways and Means on S.B. No. 573**

The purpose and intent of this measure is to make an appropriation to the Department of Hawaiian Home Lands to effectively assess and track programmatic needs of applicants on its waitlists to determine the amount of future appropriations the department needs for various activities.

Your Committee received written comments in support of this measure from Alapaki Nahale-A, Chairman, Department of Hawaiian Home Lands; and Alan T. Murakami, Native Hawaiian Legal Corporation.

Your Committee finds that the Department of Hawaiian Home Lands is in need of funding for a variety of projects, including:

- (1) The development of home, agriculture, farm, and ranch lots;
- (2) Making home, agriculture, aquaculture, farm, and ranch loans; and
- (3) Rehabilitation projects that improve the general welfare and condition of native Hawaiians.

This appropriation will enable the Department of Hawaiian Home Lands to effectively assess and track the needs of its program participants and applicants on its waitlists for lands to determine the amount of future appropriation the department requires.

Your Committee has amended this measure by changing the amount of the appropriation to the Department of Hawaiian Home Lands to an unspecified sum to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 573, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 573, 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, 3 (Dela Cruz, Kim, Slom).

**SCRep. 614 Ways and Means on S.B. No. 570**

The purpose and intent of this measure is to eliminate, either immediately or in phases, the state income tax deduction for general excise taxes paid by a taxpayer in taxable years beginning after December 31, 2010, depending upon the taxpayer's federal adjusted gross income and filing status.

Your Committee received testimony in support of this measure from Frederick D. Pablo, Director, Department of Taxation; and Kalbert K. Young, Director, Department of Budget and Finance. Your Committee received testimony in opposition to this measure from Gregory Swartz. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee notes the Department of Taxation's testimony that this measure will result in an estimated revenue gain of \$63,700,000 for fiscal year 2012, \$79,000,000 for fiscal year 2013, and \$94,400,000 for fiscal year 2014 and thereafter.

Your Committee finds that the intent of Senate Bill No. 1319 is to amend Hawaii tax law to institute improvements and achieve equity amongst taxpayers. Your Committee believes that provisions to index income tax amounts for inflation are consistent with this intent.

Accordingly, your Committee has amended this measure by:

- (1) Adding the provisions of Senate Bill No. 1319 relating to the indexing of income tax amounts for inflation;
- (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. 570, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 570, 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, 3 (Dela Cruz, Kim, Slom).

### **SCRep. 615      Ways and Means on S.B. No. 120**

The purpose and intent of this measure is to repeal certain special funds and transfer their balances to the general fund.

Your Committee received testimony in support of this measure from five individuals.

Your Committee received testimony in opposition to this measure from Tom Mick, Policy and Planning Department Director, the Judiciary; MRC Greenwood, President, University of Hawaii; Virginia S. Hinshaw, Chancellor, University of Hawaii at Manoa; James J. Donovan III, Director of Athletics, University of Hawaii at Manoa; the Hawaii State Public Library System; Richard Lim, Interim Director, Department of Business, Economic Development, and Tourism; Mary Lou Kobayashi, Planning Program Administrator, Department of Business, Economic Development, and Tourism; Jodie Maesaka-Hirata, Interim Director, Department of Public Safety; Dwight Takamine, Director, Department of Labor and Industrial Relations; William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Patricia McManaman, Interim Director, Department of Human Services; Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; Jeffery T. Ono, Executive Director, Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Loretta J. Fuddy, A.C.S.W., M.P.H., Acting Director of Health, Department of Health; the State Health Planning and Development Agency; Bruce A. Coppa, Comptroller, Department of Accounting and General Services; Russell S. Kokubun, Chairperson, Department of Agriculture; Gary Hooser, Interim Director, Office of Environmental Quality Control; Mike McCartney, President and Chief Executive Officer, Hawaii Tourism Authority; Karen Seddon, Hawaii Housing Finance and Development Corporation; Terry Lynn Holck, Chairperson, Hawaii Teacher Standards Board; Anthony J.H. Ching, Executive Director, Hawaii Community Development Authority; Denise M. Wise, Hawaii Public Housing Authority; Scott L. Chan, Stadium Manager, Aloha Stadium; Ronald Yamakawa, Executive Director, State Foundation on Culture and the Arts; Tommy Johnson, Paroles and Pardons Administrator, Hawaii Paroling Authority; Carlito P. Caliboso, Chairman, Public Utilities Commission, Department of Budget and Finance; Gordon J. Bruce, Director and Chief Information Officer, Department of Information Technology, City and County of Honolulu; Department of the Prosecuting Attorney, City and County of Honolulu; Robert D. Rivera, Esq., Deputy Prosecuting Attorney, Department of Prosecuting Attorney, County of Maui; Lena Lorenzo, Director, Victim/Witness Assistance Division, Maui County; Paula Ann Heiskell, Victim/Witness Assistance Division, Maui County; Gerald M. Problete, Victim/Witness Assistance Division, Maui County; Janet Crotteau, Major, Communications Division, Police Department, City and County of Honolulu; Harry S. Kubojiri, Police Chief, Hawaii County Police Department; Mark Begley, Acting Chief of Police, Police Department, County of Kauai; Wesley L.K.M. Lim, Chair, Board of Certification of Operating Personnel in Wastewater Treatment Plants; the University of Hawaii Foundation; Douglas Inouye, President, University of Hawaii Alumni Association; Devika Wassob, Chair, University of Hawaii, Manoa, Board of Publications; Elizabeth K. Tam, Chair, Tobacco Prevention and Control Trust Fund Advisory Board; Pamela Ferguson-Brey, Executive Director, Crime Victim Compensation Commission; Karl Fooks, President, Hawaii Strategic Development Corporation; Yuka Nagashima, Executive Director and CEO, High Technology Development Corporation; Hawaii Government Employees Association; Jackie Young, Ph.D., American Cancer Society; Sharlene Tsuda, Community Development, Queen's Health Systems; Cynthia Kamikawa, Nursing Queen's Medical Center; Dr. Cherylee Chang, Medical Director, Queen's Medical Center; Art Gladstone, Chief Nurse Executive, Straub Clinic; Beth Giesting, CEO, Hawaii Primary Care Association; George Greene, Healthcare Association of Hawaii; The Nature Conservancy; Kiersten Faulker, Executive Director, Historic Hawaii Foundation; Donald B. Weisman, Hawaii Advocacy Director, American Heart Association; Gail P. Tiwanak, MBA, Director, Hawaii State Center for Nursing; Desiree Puihi, Executive Director, Molokai Community Center; Ho'ola Lahui Hawaii; David Derauf, Executive Director, Kookaa Kalihi Valley Comprehensive Family Services; Cheryl Vasconcellos, Executive Director, Hana Health; Debbie Odo, American Lung Association; Valerie Chang, Executive Director, Hawaii Chronic Obstructive Pulmonary Disease Coalition; Yvonne Geesey, Hawaii Association of Professional Nurses; Yvonne Geesey, Academy of Nurse Practitioners; Sara L. Collins, Legislative Chair, Society for Hawaiian Archaeology; Shannon Wood, President, Windward Ahupua'a Alliance; the Institute for Human Services; Beverly Zigmund, Lanai Community Health Center; Hardy Spoehr, Executive Director, Papa Ola Lokahi; Laura Novell, Board Chair, Lana'i Community Health Center; May Akamine, Executive Director, Waimanalo Health Center; Kathy Conner, Board of Directors, Waimanalo Health Center; Kathy Kravish, Chief Financial Officer, Waimanalo Health Center; Namaka Whitehead, Kamehameha Schools; Christy Inda, Director of Preventative Health, Waianae Coast Comprehensive Health Center; Jay Ihara, Director of Operations, Boys and Girls Club Big Island; David Nakada, Executive Director, Boys and Girls Club of Hawaii; Marjorie Ziegler, Conservation Council for Hawaii; Beth Davidann, Director, Castle Center; Christy Martin, Coordinating Group on Alien Pest Species; David Derauf, Executive Director, Kookaa Kalihi Valley Comprehensive Family Services; Paul Strauss, CEO, Bay Clinic Family Health Centers; Board of Directors, Bay Clinic Inc.; Robert D. Harris, Director, Hawaii Chapter of the Sierra Club; Christopher N. Brosius, Watershed Coordinator, West Maui Mountains Watershed Partnership; Suzann C. Filleul, Regional Nurse Executive, Kaiser Permanente Hawaii; Cheryl Johnson, Teen program Director, Parents And Children Together; Dana Alonzo-

Howeth, Executive Director, Malama I Ke Ola Health Center; Lucille Calderon, Administrator, Child and Family Service Kauai; Cara Sadira, CEO, Rising Up, Inc.; Michael M. Kilks, President, Beekeepers' Association; Veronika Geronimo, Hawaii State Coalition Against Domestic Violence; Paula Arcena, Director of Public Policy, Aloha Care; Trisha Y. Nakamura, Policy and Advocacy Director, Coalition for a Tobacco Free Hawaii; Ryan Churchill, President & COO, Maui Land & Pineapple Company, Inc.; Susan B. Hunt, MHA, Chief Executive Officer, Hamakua Health Center, Inc.; Gail Breakey, Executive Director, Hawaii Family Support Institute; Andrew Itsuno, President, Associated Students of the University of Hawaii; Maui Invasive Species Committee; Nanci Kreidman, M.A., Domestic Violence Action Center; Blue Planet Foundation; Maria Holmes, Coffees of Hawaii; Andrea Buckman, Leeward Haleakala Watershed Restoration Partnership; Christine Fukui, M.D., COPD Coalition, Board of Directors; and four hundred and eighty-eight individuals.

Your Committee received comments on this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance; Charlotte Carter-Yamauchi, Director, Legislative Reference Bureau; David M. Louie, Attorney General, Department of the Attorney General; Kathryn S. Matayoshi, Superintendent of Education, Department of Education; John D. Kim, Acting Prosecuting Attorney, Maui County; Tax Foundation of Hawaii; Wil Okabe, President, Hawaii State Teachers Association; Glen Hayashida, CEO, National Kidney Foundation of Hawaii; and three individuals.

After the public hearing, your Committee amended the measure by deleting its contents and replacing it with a proposed Senate Draft 1 that:

- (1) Transfers moneys in expired non-general funds to the general fund;
- (2) Repeals certain special funds and revolving funds of the University of Hawaii and converts other revolving funds of the University of Hawaii into special funds;
- (3) Transfers excess balances in certain non-general funds to the general fund; and
- (4) Repeals certain special funds and revolving funds of the State and transfers their unencumbered remaining balances to the general fund.

Prior to holding public decision making, your Committee accepted comments on the proposed Senate Draft 1.

Your Committee received comments in opposition to the proposed Senate Draft 1 from Richard C. Lim, Interim Director, Department of Business, Economic Development and Tourism; Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; Department of Transportation; Nanci Kreidman, M.A., Domestic Violence Action Center; and thirty-five individuals.

Your Committee received comments on the proposed Senate Draft 1 from Howard Todo, Vice President for Budget and Finance/CFO, University of Hawaii; Karen Seddon, Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development and Tourism; Tax Foundation of Hawaii; and Donald B. Weisman, Hawaii Government Affairs Director, American Heart/Stroke Association.

Your Committee finds that the State has a myriad of special funds and revolving funds, and it is prudent fiscal practice to eliminate those funds whose existence no longer continues to be appropriate or warranted.

Your Committee has amended the proposed Senate Draft 1 version of this measure by:

- (1) Deleting the following funds from those to be repealed:
  - (A) The fee simple residential revolving fund; and
  - (B) The University of Hawaii student activities revolving fund;
- (2) Repealing the following additional funds:
  - (A) The interagency federal revenue maximization revolving fund; and
  - (B) The long-term care benefits fund;
- (3) Specifying that the moneys in the rental assistance revolving fund that were appropriated for the Waialua loan subsidy program are the moneys to be transferred to the general fund;
- (4) Specifying that the moneys in the University of Hawaii faculty housing project series 1995 bond proceed special fund, not the rental housing assistance fund, are the moneys from which the excess balance is being transferred to the general fund;
- (5) Removing the transfer of the excess balances from the travel agency recovery fund and the travel agency education fund in order to avoid inconsistencies with the rest of the measure;
- (6) Changing to unspecified amounts the sums of the excess moneys transferred from the non-general funds to the general fund;
- (7) Adding or deleting conforming amendments, as appropriate;
- (8) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the matter; and
- (9) 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. 120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 120, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 616      Judiciary and Labor on S.B. No. 52**

The purpose and intent of this measure is to:

- (1) Require persons convicted of a violation of privacy in the first degree to register as sex offenders; and
- (2) Make the registration requirement retroactive to any person who is or was:
  - (A) Convicted at any time of a violation of privacy in the first degree;
  - (B) Charged at any time with a violation of privacy in the first degree, is currently or previously found unfit to proceed against those charges, and is currently or was previously released into the community; or
  - (C) Charged at any time with a violation of privacy in the first degree, is acquitted due to a physical or mental disease, disorder, or defect pursuant to chapter 704, Hawaii Revised Statutes, and is released into the community.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Child and Family Service, and six individuals.

Your Committee finds that the intent of sex offender registration is to require community notification of the release of sex offenders from incarceration who were convicted of a violation of privacy in the first degree. Under section 711-1110.9, Hawaii Revised Statutes, a violation of privacy in the first degree involves the installation or use of "any device for observing, recording, amplifying, or broadcasting another person in a stage of undress or sexual activity in that place." As noted by the Department of the Attorney General in testimony, section 711-1110.9 clearly prohibits sexual misconduct; therefore, the violation falls within a Tier 1 offense under state and federal law. Your Committee believes that it is appropriate to include the crime of violation of privacy in the first degree among those other sexual offenses that require registration.

Your Committee has amended this measure by:

- (1) Clarifying that the retroactivity of the sex offender registration requirement under this measure also applies to a person who is charged at any time with a violation of privacy in the first degree, who has been acquitted due to a physical or mental disease, disorder, or defect, and is currently or was previously released into the community;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 52, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 52, 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 (Gabbard, Slom).

**SCRep. 617      Judiciary and Labor on S.B. No. 77**

The purpose and intent of this measure is to prohibit use of courtrooms and rooms within a courthouse by judges and justices to conduct private ceremonies for which the judge or justice is paid a fee.

A proposed S.D. 1 version of S.B. No. 77 was circulated prior to this hearing by your Committee. That proposed measure permits a court to:

- (1) Allow a petition, complaint, motion, or other document to be filed by the plaintiff identifying the parties as "Jane Doe" or "John Doe";
- (2) Use a multi-factor balancing test when determining if an anonymous filing is appropriate;
- (3) Allow a petitioner to be listed as "Jane Doe" or "John Doe" within court filings when petitioning for a temporary restraining order and an injunction from further harassment; and
- (4) Seal court records associated with a "Jane Doe" or "John Doe" filing under certain circumstances.

Your Committee received testimony in support of the proposed S.D. 1 from Hawai'i Women's Coalition, Hawaii State Coalition Against Domestic Violence, and three individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from the Office of the Public Defender and American Civil Liberties Union of Hawai'i. Your Committee received comments on the proposed S.D. 1 from The Judiciary.

Your Committee finds that protecting legitimate privacy rights is an appropriate practice in circumstances where a plaintiff would suffer harm or harassment by disclosing his or her name in court documents. Your Committee notes that it is important to balance a plaintiff's interest in anonymity against the public's interest in disclosure and any prejudice to a defendant. Your Committee also finds that this measure protects privacy, transparency, and the rights of a defendant by permitting courts to engage in a balancing of harms.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 77, proposed S.D. 1, and further amending the measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 77, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 77, 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 (Shimabukuro, Slom).

**SCRep. 618      Judiciary and Labor on S.B. No. 1187**

The purpose and intent of this measure is to propose a constitutional amendment to article V, section 6, of the Hawaii State Constitution to provide for the election of the Attorney General.

Your Committee received testimony in support of this measure from The League of Women Voters of Hawaii and one individual. Your Committee received testimony in opposition to this measure from the Department of the Attorney General and two individuals.

Your Committee finds that the Attorney General fulfills a broader role than merely the Chief Law Enforcement Officer of the State and Administrator of the Department of the Attorney General. In fact, the Attorney General is the counsel for the state government. Pursuant to section 26-7, Hawaii Revised Statutes, the Department of the Attorney General performs the following functions:

“The department shall administer and render state legal services, including furnishing of written legal opinions to the governor, legislature, and such state departments and officers as the governor may direct; represent the State in all civil actions in which the State is a party; approve as to legality and form all documents relating to the acquisition of any land or interest in lands by the State; and, unless otherwise provided by law, prosecute cases involving violations of state laws and cases involving agreements, uniform laws, or other matters which are enforceable in the courts of the State.”

Some of these functions require independence from the Governor. However, when the Governor has the power to appoint the Attorney General, whether it is true in practice or not, the perception that the Attorney General is solely the Governor’s counsel persists. An Attorney General may feel that his or her role is to champion the positions and decisions of the Governor, at the expense of the duties owed to other agencies and branches of the state government.

Your Committee acknowledges that the election of the Attorney General may expose the office and the Department of the Attorney General to the increased risk of becoming politicized. However, your Committee believes that this concern must be balanced with the need for an independent Attorney General who is accountable to the public. An elected Attorney General may actually reduce the politicization of the office, by shifting the focus of the Department of the Attorney General from potentially appeasing the political agenda of the Governor toward public preferences. Your Committee believes that further discussion regarding the comparative advantages and disadvantages of an elected Attorney General would be beneficial.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1187, 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 (Gabbard).

**SCRep. 619      Judiciary and Labor on S.B. No. 1491**

The purpose and intent of this measure is to clarify the circumstances under which a District Court may serve a summons or other writ outside of the State.

Your Committee received testimony in support of this measure from the Collection Law Section of the Hawaii State Bar Association.

Your Committee finds that this measure is an attempt to remedy potential areas of confusion arising out of two statutory sections pertaining to service of process. Specifically, section 604-7, Hawaii Revised Statutes, describes the authority of the District Court to issue a summons or other writ outside of the State, while the provisions of chapter 634, Hawaii Revised Statutes, contains provisions regarding service that are applicable in all civil actions. Confusion has arisen because the specific statutes regarding service referenced in section 604-7, Hawaii Revised Statutes, do not specifically include all of the service provisions that are available in chapter 634, Hawaii Revised Statutes. This measure is intended to amend section 604-7, Hawaii Revised Statutes, to clarify that the service provisions within chapter 634, Hawaii Revised Statutes, apply to the civil actions in the District Courts.

Your Committee notes that the commentary to Rule 4(e) of the Hawaii District Court Rules of Civil Procedure states that sections 634-34, 634-35, and 634-36, Hawaii Revised Statutes, regarding service of process, appear to apply to District Court. Your Committee agrees with this commentary but believes that this measure will resolve any ambiguities regarding this matter.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1491, 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 (Gabbard, Slom).

**SCRep. 620      Judiciary and Labor on S.B. No. 815**

The purpose and intent of this measure is to require the forfeiture of any equipment, article, instrument, aircraft, vehicle, vessel, business record, or natural resource used or taken in violation of the laws or rules applicable to the Kaho'olawe Island Reserve.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Kaho'olawe Island Reserve Commission; Office of Hawaiian Affairs; Department of the Prosecuting Attorney of the County of Maui; and two individuals. Your Committee received comments on this measure from the Ocean Tourism Coalition.

Your Committee finds that it is imperative that the State do everything in its power to protect Hawaii's treasured natural and cultural resources. The Department of the Prosecuting Attorney of the County of Maui consistently receives reports of illegal fishing and other activities on and around the island of Kaho'olawe. In order to protect Kaho'olawe from these activities, enforcement must be severe enough to effectively deter prohibited acts. In 2008, an Intermediate Court of Appeals decision that allowed asset forfeiture in cases of resource destruction when applicable penalty provisions did not specifically authorize forfeiture was overturned by the Hawaii Supreme Court. This measure will specifically authorize asset forfeiture as a penalty for resource destruction on the Kaho'olawe Island Reserve, which will strengthen the enforcement capabilities of the Department of Land and Natural Resources and the Department of the Prosecuting Attorney of the County of Maui and provide a major deterrent to those who would harm or pillage Kaho'olawe's environmental and cultural resources.

Your Committee recognizes testifiers' concerns that, should Molokini come under the jurisdiction of the Kaho'olawe Island Reserve Commission, this measure may affect activities on Molokini that may be legitimate and currently allowed. Your Committee finds that this measure specifically applies to the island reserve and that unless Molokini becomes a part of the island reserve, this measure will not be applicable.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 815, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 815, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Ihara). Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 621      Judiciary and Labor on S.B. No. 671**

The purpose and intent of this measure is to strengthen the democracy of Hawaii by providing for transparency and fairness in the following manner by requiring:

- (1) Lobbyists and public officials to report their financial and contractual relationships and transaction amounts;
- (2) Lobbyists to disclose certain events attended by legislators;
- (3) Lobbyists and their clients to disclose all campaign donations made during the legislative session;
- (4) Lobbyists to file disclosure reports at the end of each of the months that the Legislature is in session; and
- (5) Legislators to file financial disclosure reports by January 31 after the beginning of each regular legislative session.

A proposed S.D. 1 version of S.B. No. 671 was circulated by your Committee prior to this hearing. That proposed measure amended section 84-11, Hawaii Revised Statutes (Gift Law), by establishing specific prohibitions and exceptions on gifts to legislators or employees as follows:

- (1) Exempting from the prohibition on the receipt of gifts under the Gift Law the acceptance by a legislator or employee of a gift that does not exceed \$200 in value from an entity, so long as the value of the gifts received from that entity does not exceed an unspecified aggregate amount in any calendar year;
- (2) Prohibiting the acceptance of a gift by a legislator or employee in excess of \$200 under certain circumstances;
- (3) Exempting entirely from the prohibition on the receipt of gifts under the Gift Law the acceptance of specified items, including:
  - (A) Gifts of food or beverages;
  - (B) Ceremonial gifts, awards, or other gifts that are for informational, educational, or appreciative value;
  - (C) Reasonable expenses for food, travel, lodging, or scheduled entertainment of a legislator or employee in return for participation on a panel or a speaking engagement, under certain circumstances; and
  - (D) Tickets for free admission from a person sponsoring or conducting an event to attend a charitable, cultural, political or community event, under certain circumstances; and
- (4) Prohibiting, unless otherwise authorized, a legislator or employee from accepting any honoraria or compensation related to the legislator's or employee's official duties if the payer of the honoraria has an interest that may be affected substantially or materially by the performance or nonperformance of the legislator's or employee's official duties.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawai'i Alliance of Nonprofit Organizations; Goodwill Industries of Hawaii, Inc.; and the Hawaii Substance Abuse Coalition. Your Committee received testimony in opposition to the proposed S.D. 1 from the Hawaii State Ethics Commission; The League of Women Voters of Hawaii; Common Cause Hawaii; the Americans for Democratic Action Hawai'i; the Media Council of Hawai'i; and five individuals. Your Committee received comments on the proposed S.D. 1 from the American Cancer Society; Lanakila Pacific; and one individual.

Your Committee finds that the intent of the proposed S.D. 1 is to provide clear and specific guidelines on gifts that will enable the donor and the recipient to properly conform to the law.

Despite the laudatory attempt, the standards in the proposed S.D. 1 relied primarily on set values of the gift instead of the conduct of the donor and recipient of the gift in the performance of their official duties. Your Committee however believes that some clarity in the Gift Law is needed and that a step by step approach may be appropriate.

Your Committee finds that nonprofit organizations fulfill important public functions, such as direct services to low-income and disadvantaged persons, the promotion of culture and the arts, and good stewardship and protection of our lands, energy, education, animal rights, and other public benefits. Often times these organizations organize events to educate the community. These events provide lawmakers and government officials with educational opportunities to keep them current with community issues. Accordingly, your Committee believes that attendance by public employees and legislators at charitable events deserves a specific exemption from the Gift Law.

The exemption would apply to charitable entities that have received recognition of tax exempt status under section 501(c)(3) through (c)(6) or as a public charity under section 509(a)(1) through (a) (4) of the Internal Revenue Code.

Your Committee has amended this measure by deleting its contents and replacing them with language that:

- (1) Amends section 84-11, Hawaii Revised Statutes, regarding acceptance of gifts by legislators and employees, to exempt the receipt of an invitation or ticket for a charitable event from a charitable entity, whether or not the charitable entity is the host of the charitable event; and
- (2) Inserts 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 671, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 671, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Gabbard, Ihara). Noes, none. Excused, 2 (Shimabukuro, Slom).

#### **SCRep. 622 (Majority) Ways and Means on S.B. No. 946**

The purpose and intent of this measure is to expand access to legal services by establishing the access to justice trust fund under the Judiciary to fund legal services for the poor, indigent, and other vulnerable populations.

Your Committee received written comments in support of this measure from Nanci Kreidman, M.A., Domestic Violence Action Center. Written comments in opposition were received from one individual.

Your Committee finds that legal services providers lack adequate funding and attorneys to address the needs of Hawaii's vulnerable populations. This measure will increase the availability of these services and help ensure that more people have access to justice.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

#### **SCRep. 623 Ways and Means on S.B. No. 1553**

The purpose and intent of this measure is to ensure the quality of education for Hawaii's public students by making permanent the temporary statutory provisions that:

- (1) Reduced from four years to three years the maximum employment period for unlicensed teachers hired on an emergency basis by the Department of Education; and
- (2) Require unlicensed teachers hired on an emergency basis prior to July 1, 2008, to attain licensure within four years from the date of employment.

Your Committee received written comments in support of this measure from Christine K. Sorensen, Dean, College of Education, University of Hawaii at Manoa.

Your Committee finds that by reducing the maximum employment period for unlicensed teachers hired on an emergency basis, this measure seeks to bring the Department of Education's hiring practices in compliance with federal standards and ensure that all education professionals, including emergency hires, are held to high standards.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1553, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1553, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 624 Ways and Means on S.B. No. 1284**

The purpose and intent of this measure is to ensure quality services for students with disabilities by, among other things:

- (1) Authorizing the Department of Education (DOE) to monitor students with disabilities who are placed in private schools or placements at DOE's expense, and requiring DOE to withhold payment if student monitoring is restricted or denied;
- (2) Requiring private schools and placements that receive DOE funds to annually post itemized rates, fees, and tuition and to charge DOE the same as for parents and guardians who unilaterally place a student at the private school or placement; and
- (3) Requiring DOE to pay only for private school or placement services that are specified in a student's individualized education program.

Your Committee received written comments in support of this measure from Lea E. Albert, Complex Area Superintendent, DOE; Kalei Kailihiwa, Director, Ho'olako Like, Kamehameha Schools; and Ivalee Sinclair, Chair, Special Education Advisory Council. Written comments were received from Liz Ann Salvador, Chair, State Council on Developmental Disabilities.

Your Committee finds that this measure will help DOE monitor students placed in private special education programs at DOE's expense, thereby allowing DOE to be more accountable for the public funds paid for these placements and to determine whether the students are receiving quality education and services that result in true progress. In addition, by requiring these private programs to charge DOE the same tuition, rates, and fees as for non-DOE-funded students, this measure ensures that taxpayer dollars are spent wisely.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1284, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1284, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 625 Ways and Means on S.B. No. 1300**

The purpose and intent of this measure is revise the composition of the Hawaii Health Systems Corporation Board of Directors to improve the accountability and sustainability of the health system.

Specifically, this measure:

- (1) Increases the Hawaii Health Systems Corporation Board of Directors from twelve to eighteen members, which includes:
  - (a) One additional voting community member each from Maui County, east Hawaii County, west Hawaii County, the island of Kauai, and the island of Oahu, to be appointed by the respective regional system board to serve four-year terms; and
  - (b) One additional at-large community member to be appointed by the Governor, who shall serve a two-year term; and
- (2) Gives the Director of Health, as an ex officio member, voting rights.

Your Committee finds that the structural change to the Hawaii Health Systems Corporation Board will increase community representation on the board and improve the accountability and sustainability of the health system.

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, 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. 1300, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1300, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 626 (Majority) Ways and Means on S.B. No. 1270**

The purpose and intent of this measure is to appropriate Hawaii hurricane relief fund moneys into the general fund to make funds available to balance the State's budget for fiscal year 2011-2012 and maintain the levels of programs determined to be essential for education, public health, and public welfare.

Your Committee received testimony in support of this measure from Kalbert K. Young, Director, Department of Budget and Finance. Your Committee received testimony in opposition to this measure from Lloyd Lim, Executive Director, Hawaii Hurricane Relief Fund Board; and Myoung Oh, Government Affairs Director, Hawaii Association of Realtors. Your Committee received comments on this measure from Gordon I. Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs.

Your Committee finds that when Hurricane Iniki struck Kauai on September 11, 1992, it caused \$1,600,000,000 in damage and left many insurance companies unable to obtain reinsurance and incapable of providing insurance to the people of Kauai. The Hawaii hurricane relief fund was formed to provide hurricane insurance in Hawaii when private insurers were unwilling to do so. Your Committee also finds that the Hawaii hurricane relief fund has been dormant since the end of 2002.

Your Committee has amended this measure by:

- (1) Deleting the dollar amount of the minimum required balance of the Hawaii hurricane relief fund and leaving it unspecified; and
- (2) Deleting the expenditure authorization provision.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1270, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1270, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Kim, Ryan, Tokuda). Noes, 1 (Slom). Excused, 2 (Kidani, Kouchi).

**SCRep. 627 Ways and Means on S.B. No. 1233**

The purpose and intent of this measure is to amend the current law governing the solicitation of funds from the public to:

- (1) Allow service of process by substitute service;
- (2) Allow the Attorney General to accept assurances of discontinuance and to issue cease and desist orders for violations of the law;
- (3) Clarify charity registration exemptions; and
- (4) Clarify the time period for the filing of a charity's annual financial report.

Your Committee received testimony in support of this measure from Robert Witt, Executive Director, Hawaii Association of Independent Schools; The Nature Conservancy of Hawaii; and Holly J. Huber. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that there are over 1,670 charitable organizations that solicit funds from Hawaii donors currently registered with the Department of the Attorney General. Your Committee also finds that only thirty-five per cent of these registered charities are domiciled in the State. Your Committee further finds that the provisions of this measure will assist the Department of the Attorney General with its oversight of charitable organizations soliciting funds and benefit both the people of this State and the charities themselves.

Your Committee has amended this measure by:

- (1) Changing the amounts of certain charitable organizations filing fees to unspecified amounts;
- (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. 1233, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1233, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 628 Ways and Means on S.B. No. 796**

The purpose and intent of this measure is to require a business that maintains personal information about Hawaii residents to implement a comprehensive information security program.

Your Committee received comments in support of this measure from Bruce Coppa, Comptroller, Department of Accounting and General Services.

Your Committee received comments in opposition to this measure from Rick Tsujimura, Reed Elsevier, Inc.; Christopher Oswald, Director, Reed Elsevier, Inc.; and Oren T. Chikamoto, American Council of Life Insurers.

Your Committee received comments on this measure from Noel T. Ono, Director, City and County of Honolulu Department of Human Resources; and Mihoko E. Ito, Consumer Data Industry Association.

Your Committee finds that businesses that maintain personal information about the residents of the State should execute comprehensive data security plans to provide adequate protection from potential security breaches.

Your Committee has amended this measure by:

- (1) Deleting the language defining "security breach" and inserting a reference to the definition of that term in section 487N-1, Hawaii Revised Statutes, to ensure that the definitions are consistent; 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 S.B. No. 796, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 796, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 629 (Majority) Ways and Means on S.B. No. 756**

The purpose and intent of this measure is to facilitate the electronic filing of taxes.

More specifically, this measure:

- (1) Establishes the integrated tax services and management special fund to receive revenues from the integrated tax services and management system's post-implementation revenue-generating initiatives;
- (2) Provides that moneys in the fund will be used to pay for the integrated tax services and management system;
- (3) Requires the Department of Taxation to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically, telephonically, or by optical means, with no additional cost to the taxpayer;
- (4) Lowers the threshold for any taxpayer required to remit taxes by one of the means of electronic funds transfer from \$100,000 to \$50,000 in tax liability; and
- (5) Reestablishes the last day of the month, rather than the twentieth day of the month, as the deadline for filing and payment of miscellaneous taxes and quarterly filing and payment of periodic insurance premium taxes.

Your Committee received comments on this measure from Kalbert K. Young, Director Department of Budget and Finance; and the Tax Foundation of Hawaii.

Your Committee finds that this measure will provide the Department of Taxation with the resources necessary to further modernize its integrated tax services and management system and allow for expanded electronic tax filing capability.

Your Committee has amended this measure by:

- (1) Deleting the dollar amount of the threshold for a taxpayer to be required to remit taxes by electronic funds transfer and changing it to an unspecified amount;
- (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. 756, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 756, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kidani, Kouchi).

**SCRep. 630 Ways and Means on S.B. No. 715**

The purpose and intent of this measure is to repeal the requirement that gasoline sold in the State include ten per cent ethanol.

Your Committee received testimony in support of this measure from Reg White, Royal Star Hawaii Transit; and Dr. Myron Berney, Natural Cancer Wellness Foundation. Your Committee received testimony in opposition to this measure from Richard Lim, Department of Business, Economic Development, and Tourism; and William Maloney, Pacific West Energy LLC.

Your Committee finds that at the time the ethanol content requirement was enacted, it was stated that, without local demand for ethanol, local supply was extremely unlikely to be developed. Your Committee also finds that although there are currently no commercial producers of ethanol in the State, there are two different biofuel projects in the permitting phase and several other projects under development.

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 S.B. No. 715, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 715, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 631 (Majority) Ways and Means on S.B. No. 258**

The purpose and intent of this measure is to establish the Reduced Ignition Propensity Cigarette Program Special Fund to defray the costs of administering the reduced ignition propensity cigarette program, including employment of state fire council staff.

Your Committee received comments in support of this measure from Kenneth G. Silva, Chair, State Fire Council, and Fire Chief, Fire Department, City and County of Honolulu; Jeffrey A. Murray, County of Maui, Department of Fire and Public Safety; and Trisha Y. Nakamura, Esq., Policy and Advocacy Director Coalition for a Tobacco-Free Hawaii.

Your Committee received comments in opposition to this measure from Kalbert Young, Director, Department of Budget and Finance.

Your Committee finds that the State Fire Council needs additional staffing to administer the reduced ignition propensity cigarette program.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 258, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 258, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 2 (Kim, Slom). Excused, 2 (Kidani, Kouchi).

**SCRep. 632      Ways and Means on S.B. No. 155**

The purpose and intent of this measure is to protect the public health and safety by establishing registration requirements and qualifications for athletic trainers.

This measure also provides exemptions from registration and prescribes penalties for violations.

Your Committee received written comments in support of this measure from Ann Frost, President, Hawaii Chapter of the American Physical Therapy Association; Avis Sakata, President, Occupational Therapy Association of Hawaii; and Cindy Clivio and Darryl Funai, Hawaii Athletic Trainers' Association.

Your Committee received testimony in opposition to this measure from Celia Suzuki, Acting Licensing Administrator, Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division; and Jo Ann Uchida, Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office.

Your Committee finds that Hawaii is one of only a few states that do not regulate the practice of athletic training. Regulation of athletic trainers will ensure that participants in athletic activities receive appropriate emergency care and follow-up treatment, require athletic trainers to demonstrate minimum competency in the field, and provide a means for the reporting of violations to the regulatory agency and imposition of penalties.

Your Committee has amended this measure by:

- (1) Clarifying that the registration exemption for those invited to provide athletic training services for special events applies when the needs of the event exceed the capacity of athletic trainer registrants rather than "state licensees";
- (2) Changing the effective date to July 1, 2050, to encourage 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 S.B. No. 155, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 155, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Kim). Noes, none. Excused, 1 (Kidani).

**SCRep. 633      Ways and Means on S.B. No. 583**

The purpose and intent of this measure is to authorize the Director of Commerce and Consumer Affairs to designate an access organization to oversee public, educational, and governmental channels on cable television.

Your Committee received written comments in support of this measure from Everett Kaneshige, Deputy Director, Department of Commerce and Consumer Affairs; Kat Brady, Coordinator, Community Alliance on Prisons; and three individuals. Your Committee received comments on this measure from Aaron S. Fujioka, Administrator, State Procurement Office.

Your Committee finds that the public procurement process is too inflexible to meet the needs of the community media system. The procurement process does not allow for consideration of issues such as public participation, quality of programming, diversity of viewpoints, and other matters relevant to the mission of public access media. Empowering the Director of Commerce and Consumer Affairs to designate an access organization to oversee public, educational, and governmental channels will allow for more efficient and deliberate planning of public access television programming.

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 S.B. No. 583, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 583, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 634      (Majority) Ways and Means on S.B. No. 14**

The purpose and intent of this measure is to expand the authorized uses of the agricultural development and food security special fund to include the improvement and investigative studies of dams and reservoirs.

Your Committee received written comments in support of this measure from Russell Kokubun, Chairperson, Department of Agriculture; Paul Oshiro, Manager - Government Relations, Alexander & Baldwin, Inc.; Dave Arakawa, Executive Director, Land Use Research Foundation of Hawaii; and Daniel Nellis, Dole Food Company Hawaii.

Your Committee finds that this measure will assist with costs incurred for the maintenance, investigation, and upgrade of dams and reservoirs. These facilities are valuable water resources for the State and important components of a functioning irrigation system.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 14, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 14, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 2 (Fukunaga, Kidani).

**SCRep. 635 Ways and Means on S.B. No. 1241**

The purpose and intent of this measure is to repeal the conveyance tax exemption for the sale or transfer of real property that has been certified by the Hawaii Housing Finance and Development Corporation for low income housing development.

Your Committee received written comments in support of this measure from Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii. Your Committee received written comments in opposition to this measure from Michael Kaho'ohanohano. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure will prevent future reductions in state revenues by repealing the conveyance tax exclusion for real property transferred for affordable housing.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 1241, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1241, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 636 (Majority) Ways and Means on S.B. No. 1328**

The purpose and intent of this measure is to better construct, operate, and maintain the state highway system by increasing the annual motor vehicle registration fee from \$25 to \$45 and increasing the amount of the fee to be deposited into the State Highway Fund.

Your Committee received comments in opposition to this measure from Gareth Sakakida, Managing Director, Hawaii Transportation Association; and Douglas Meller.

Your Committee received comments on this measure from Gail Y. Haraguchi, Director, Department of Consumer Services, City and County of Honolulu; and the Tax Foundation of Hawaii.

Your Committee finds that while the State has increased the number of lane miles of the state highway system, the budget has not been increased concurrently to cover the associated costs. This measure is necessary to properly maintain the State highway system.

Your Committee has amended this measure by:

- (1) Changing the annual vehicle registration fee and the amount of the fee deposited into the State Highway Fund to unspecified amounts;
- (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 S.B. No. 1328, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1328, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Dela Cruz, Espero, Wakai). Noes, 3 (Kim, Ryan, Slom). Excused, 1 (Kouchi).

**SCRep. 637 Ways and Means on S.B. No. 1220**

The purpose and intent of this measure is to implement a community-based fishery resource management area program for the island of Lanai.



Your Committee received written comments in support of this measure from Robbie Alm, Executive Vice-President, Hawaiian Electric Company, Inc.

Your Committee received written comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; and one individual.

Your Committee finds that resource management is site specific. Natural resources management practices that encompass traditional Hawaiian fishing practices must be adapted to the local environments and applied with a local understanding of the environmental and ecological conditions affecting the natural resources.

The Lanai community, in particular, has voiced concerns about the impacts of overfishing on its subsistence lifestyle. This measure recognizes that the residents of Lanai are in the best position to understand the yields, cycles, and patterns of their fisheries, and takes advantage of that historical knowledge by implementing a community-based fishery resource management area program.

Your Committee has amended this measure by:

- (1) Amending the section quoting Act 212, Session Laws of Hawaii 2007, to make it consistent with the printed version of Act 212; 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 S.B. No. 1220, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1220, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 638 (Majority) Ways and Means on S.B. No. 243**

The purpose and intent of this measure is to establish the Hawaii Western Interstate Commission for Education and allow the Hawaii Commission to establish a repayment policy for students who receive financial support from funds appropriated for the professional student exchange program of the Western Interstate Commission for Higher Education.

Furthermore, this measure establishes a special fund for the professional student exchange program.

Your Committee received comments in support of this measure from the Hawaii Commissioners of the Western Interstate Commission for Higher Education.

Your Committee received comments in opposition to this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that this measure would improve the return rates of Hawaii residents who receive state support through the professional student exchange program of the Western Interstate Commission for Higher Education. The return of these students to the State is very important to the economic and social health and well being of our State. This measure authorizes the Hawaii Commission to develop a repayment policy for students who do not return to the State after receiving assistance under the program.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the matter; 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. 243, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 243, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 639 Ways and Means on S.B. No. 757**

The purpose and intent of this measure is to assist Hawaii's small business concerns by:

- (1) Reestablishing the Hawaii capital loan revolving fund, with principal and interest payments made on any outstanding loans to be directed into the fund to lower or eliminate the need for future general fund appropriations;
- (2) Authorizing the Department of Business, Economic Development, and Tourism to contract with any financial institution for services including servicing or administering loans; and
- (3) Appropriating moneys to the Hawaii capital loan revolving fund for operations of the Hawaii Capital Loan Program.

Your Committee received testimony in support of this measure from the Chamber of Commerce of Hawaii. Your Committee received comments on this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism.

Your Committee finds that small businesses in Hawaii account for a majority of all new jobs and embody the spirit of innovation, entrepreneurship, and individual initiative. The Hawaii Capital Loan Program was established in 1963 to provide loans to small businesses for plant construction or expansion and the purchase of buildings, land, equipment, machinery, supplies, materials, and working capital.

Your Committee also finds that the Hawaii Capital Loan Program serves an important public purpose by helping small business to grow with the necessary financing that would otherwise not be available. Reestablishing the Hawaii capital loan revolving fund, and requiring that principal and interest payments on outstanding loans be paid into the fund, will help to lower the need for future general fund appropriations to the Hawaii Capital Loan Program.

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 S.B. No. 757, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 757, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Ryan, Slom). Noes, none. Excused, 3 (Dela Cruz, Kahele, Kouchi).

**SCRep. 640      Ways and Means on S.B. No. 590**

The purpose and intent of this measure is to extend the date on which the Legislative Federal Economic Stimulus Program Oversight Commission is terminated to December 31, 2011.

Your Committee finds that this measure will assist the Commission in meeting the requirements of Act 150, Session Laws of Hawaii 2009, which established the Commission to ensure transparency and accountability for programs, services, and benefits of funds allocated to the State by the American Recovery and Reinvestment Act of 2009.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 590, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 590, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 641      Ways and Means on S.B. No. 986**

The purpose and intent of this measure is to establish a task force to formulate policies and procedures to eliminate the disparate treatment of all peoples in Hawaii's criminal justice system, with particular focus on native Hawaiians.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs.

Your Committee received written comments in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that the Office of Hawaiian Affairs released a study in 2010 that concluded that native Hawaiians are disproportionately impacted at every stage of the criminal justice system. Your Committee further finds that this task force will recommend strategies to reduce unnecessary involvement with the criminal justice system.

Your Committee has amended this measure by:

- (1) Clarifying that the Administrator of the Office of Hawaiian Affairs shall be a member of the task force;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 986, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 986, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 642      Ways and Means on S.B. No. 1079**

The purpose and intent of this measure is to protect farmers and ranchers by clarifying that owners of agricultural and range land have no duty of care to keep the land safe for trespassers.

In addition, the measure eliminates the requirement that agricultural lands be fenced and display signs identifying the land as private property, for purposes of criminal trespass on agricultural lands. Further, the measure authorizes the imposition of a fine for criminal trespass on agricultural lands.

Your Committee received written comments in support of this measure from Russell S. Kokubun, Chairperson, Department of Agriculture; Gladys C. Baisa, Council Member, County Council, County of Maui; Janet Ashman, Hawaii Farm Bureau; and four concerned individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs; and Dave Arakawa, Executive Director, Land Use Research Foundation of Hawaii.

Your Committee finds that farmers and ranchers need to be protected from potential litigation arising from claims made by trespassers who injure themselves while using agricultural or range lands without permission.

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. 1079, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1079, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 643      Ways and Means on S.B. No. 1358**

The purpose and intent of this measure is to require the Department of Public Safety to formulate a plan to reopen the Kulani Correctional Facility, including a process to transfer back to the facility the inmates that were transferred out when the facility closed in 2009.

Your Committee received written comments in support of this measure from Andy Botts, National Association of Reformed Criminals; Kat Brady, Coordinator, Community Alliance on Prisons; Pamela Lichty, President, The Drug Policy Action Group; Laura Robertson, President and Chief Executive Officer, Goodwill Industries of Hawaii, Inc.; and nine concerned individuals.

Your Committee finds that returning to Hawaii those inmates who have been transferred to facilities on the mainland offers the greatest potential for rehabilitation and that successful rehabilitation results in lower recidivism rates and lower costs.

Your Committee has amended this measure by:

- (1) Changing the date by which the Department of Public Safety is required to formulate a plan to reopen the Kulani correctional facility to December 31, 2011;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 1358, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1358, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 644      (Majority) Ways and Means on S.B. No. 1125**

The purpose and intent of this measure is to make the condominium dispute resolution pilot project permanent and preserve the availability of mediation, arbitration, administrative resolution, and the right of judicial appeal for disputes related to certain condominium matters.

Your Committee received written comments in opposition to this measure from Bruce Howe, Community Associations Institute/LAC; Philip Nerney, Community Associations Institute; and Joani Taylor.

Your Committee finds that avenues of non-judicial relief, such as mediation, arbitration, and administrative resolution, are important mechanisms for avoiding costly court proceedings in many disputes between condominium unit owners and their condominium association and should therefore be preserved.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1125, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1125, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Kidani). Excused, none.

**SCRep. 645      Ways and Means on S.B. No. 640**

The purpose and intent of this measure is to improve accountability over the Wireless Enhanced 911 Fund.

Specifically, the measure requires:

- (1) The independent audit of the Wireless Enhanced 911 Fund to be conducted annually rather than every two years;
- (2) The initial annual audit to be conducted in 2011 and the results be reported to the Legislature in 2012; and
- (3) The results of the annual independent audit, and information on the status of projects undertaken or planned by public safety answering points, to be included in the Wireless Enhanced 911 Board's annual report to the Legislature.

Your Committee finds that keeping up with technological advances and maintaining current systems and equipment is critical to meeting public safety needs. Moneys from the Wireless Enhanced 911 Fund will help defray some of the costs of upgrading these communication technologies. Requiring a more frequent audit and specific reporting on the status of projects will help the Legislature and the Wireless Enhanced 911 Board to make informed decisions regarding the use of these funds.

Your Committee has amended this measure by changing 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 S.B. No. 640, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 640, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Dela Cruz, Kidani, Kouchi).

**SCRep. 646      Ways and Means on S.B. No. 903**

The purpose and intent of this measure is to preserve affordable rental housing units by establishing an affordable rental housing development program and authorizing nonprofit organizations to acquire United States Department of Housing and Urban Development or United States Department of Agriculture housing subsidy contracts.

Your Committee received written comments in support of this measure from Max Gray, Chair, Partners in Care Advocacy Committee; and Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii. Your Committee received comments on this measure from Karen Seddon, Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development, and Tourism.

Your Committee finds that the affordability of housing units that receive federal subsidies is not permanently assured and that the intent of this measure is to maintain existing affordable housing in perpetuity.

Your Committee has amended this measure by:

- (1) Clarifying that the information in the required reports relates to rental housing projects with federal rental subsidy contracts;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 903, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 903, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 647      (Majority) Ways and Means on S.B. No. 823**

The purpose and intent of this measure is to allow certain county public transit agencies, including the Honolulu Authority for Rapid Transportation, to function as semi-autonomous agencies of their respective counties when procuring goods and services.

Specifically, this measure:

- (1) Designates the director of a county semi-autonomous public transit agency, as designated by the charter of that county, as a chief procurement officer for that county; and
- (2) Provides the semi-autonomous county public transit agency with procurement authority.

Your Committee finds that the semi-autonomous Honolulu Authority for Rapid Transit is responsible for the planning, construction, operation, maintenance, and expansion of Honolulu's fixed guideway mass transit system. The Honolulu Authority for Rapid Transit needs specific procurement authority to function as a semi-autonomous agency of the county and provide timely and efficient management of the rail transit system.

Your Committee finds that this measure gives certain semi-autonomous public transit agencies, including the Honolulu Authority for Rapid Transit, the same procurement authority as a county board or department of water supply.

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 S.B. No. 823, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 823, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 648      (Majority) Ways and Means on S.B. No. 596**

The purpose and intent of this measure is to encourage physicians, physician assistants, and nurse practitioners to practice in counties in the State with the greatest need for medical services, by providing for loan repayments for individuals who practice in those areas for at least five years.

Specifically, this measure:

- (1) Establishes the Hawaii health corps program;
- (2) Establishes the Hawaii rural health care provider loan repayment program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners who practice in counties with shortages of these positions, with

priority given to those serving in rural areas and preference to graduates of University of Hawaii John A. Burns School of Medicine or University of Hawaii at Manoa School of Nursing and Dental Hygiene;

- (3) Creates the Hawaii health corps revolving fund; and
- (4) Makes appropriations to support the purpose and intent of this measure.

Your Committee received written comments in support of this measure from the Hawaii Medical Association; Dan Domizio, P.A., MPH, Clinical Programs Director and Chief Executive Officer, Puna Community Medical Center; and Jackie Berry, Executive Director, Healthy Mothers, Healthy Babies Coalition of Hawaii.

Your Committee finds that with the increasingly high cost of higher education, it is difficult to attract physicians and nurse practitioners to certain counties, particularly those in remote areas, where the cost of living is higher and the pay is often lower than in urban centers. The shortage of medical professionals in these areas threaten the health of Hawaii's residents and affect health care costs.

With the establishment of a loan repayment program, physicians, physician assistants, and nurse practitioners will be less worried about their financial obligations. This measure will encourage and enable physicians, physician assistants, and nurse practitioners to provide care in areas they otherwise may not have considered.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation for the implementation and administration of the Hawaii health corps program to an unspecified amount to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purpose of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 596, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 596, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Kim, Ryan). Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 649      Ways and Means on S.B. No. 119**

The purpose and intent of this measure is to authorize the State to sell and lease-back public buildings to the public, excluding title to the land upon which the building or its grounds are situated.

This measure also exempts from the Public Procurement Code the operation and maintenance of public buildings sold under a lease-back arrangement.

Your Committee received written comments in opposition to this measure from Bruce A. Coppa, Comptroller, Department of Accounting and General Services. Written comments were received from Kalbert Young, Department of Budget and Finance.

Your Committee finds that the strategy of selling public buildings and leasing them back is designed to raise immediate cash to address the State's budgetary shortfall in the current economic climate. However, there are long-term financial considerations that would be either beneficial or detrimental to the State as landowner and the occupant of the building. Because each transaction or building would pose different considerations, diligent care in executing these transactions would be needed to ensure future state interests are preserved.

Your Committee has amended this measure by:

- (1) Clarifying that the ability to sell and lease-back public buildings is discretionary, not mandatory;
- (2) Changing the effective date to July 1, 2050, to encourage 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. 119, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 119, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Kidani, Tokuda).

**SCRep. 650      (Majority) Ways and Means on S.B. No. 814**

The purpose and intent of this measure is to reclassify or repeal certain special, revolving funds, or trust funds of the University of Hawaii. In addition, the measure transfers the balance of specific repealed funds to the University of Hawaii auxiliary enterprises special fund.

Your Committee received comments in support of this measure from Howard Todo, Vice President for Budget and Finance/Chief Financial Officer, University of Hawaii System.

Your Committee finds that this measure will provide the University of Hawaii with greater flexibility and increased efficiency in the use and management of its funds.

Your Committee has amended this measure by:

- (1) Correcting an erroneous internal cross-reference;

- (2) Changing the effective date to July 1, 2050, in order to facilitate further discussion on the matter; 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. 814, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 814, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 651      Ways and Means on S.B. No. 1337**

The purpose and intent of this measure is to appropriate funds to Hawaii Livestock Cooperative as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to enable the cooperative to stabilize operations at its slaughter facility.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau. Your Committee received written comments in opposition to this measure from Sharanya Krishna Prasad, US Programs Manager, World Society for the Protection of Animals; Cathy Goeggel, Animal Rights Hawaii; Laurelee Blanchard, Leilani Farm Sanctuary; and forty-seven concerned individuals.

Your Committee finds that the continued operations of Hawaii Livestock Cooperative will contribute to the State's food security and therefore is in the interest of the public's health, safety, and welfare.

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 S.B. No. 1337, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1337, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 652      Ways and Means on S.B. No. 1382**

The purpose and intent of this measure is to examine and ensure state compliance with the requirements of the Higher Education Act of 1965, as amended, and examine the possibility of licensing teachers and principals by establishing the Federal Higher Education Compliance and Educational Personnel Licensure and Certification Task Force.

Your Committee received comments on this measure from Charlotte A. Carter-Yamauchi, Acting Director, Legislative Reference Bureau; and Linda K. Johnsrud, Executive Vice-President for Academic Affairs and Provost, University of Hawaii.

Your Committee finds that the State must comply with the requirements of the Higher Education Act of 1965, as amended, to ensure receipt of federal funding. Your Committee further finds that Hawaii is the only state that does not license principals, and audits have noted that the Hawaii Teacher Standards Board, which licenses teachers, needs to improve its operations. This measure would address those issues.

Your Committee has amended this measure by:

- (1) Correcting the name of the Leveraging Educational Assistance Partnership Program;
- (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 S.B. No. 1382, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1382, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

**SCRep. 653      Ways and Means on S.B. No. 1482**

The purpose and intent of this measure is to require the Public Utilities Commission to consider, when determining the reasonableness of utility system capital improvement and operations costs, the need to reduce the State's reliance on fossil fuels through energy efficiency and increased renewable energy generation.

Your Committee received comments in support of this measure from Jeff Mikulina, Executive Director, Blue Planet Foundation.

Your Committee received comments in opposition to this measure from the Western States Petroleum Association.

Your Committee received comments on this measure from Jeffrey T. Ono, Executive Director, Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; and Carlito P. Caliboso, Chairman, Public Utilities Commission, Department of Budget and Finance.

Your Committee finds that the dockets of the Public Utilities Commission require the Commission to weigh the State's reliance on fossil fuels against short-term impacts on rates. This measure provides the Public Utilities Commission with much needed policy guidance in rendering their decisions.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, in order to facilitate continued 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. 1482, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1482, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 654      Ways and Means on S.B. No. 776**

The purpose and intent of this measure is to establish a biotechnology task force within the University of Hawaii to assess barriers faced by businesses engaged in biotechnology research and to make recommendations on expediting permit processing. Furthermore, this measure appropriates funds for the task force.

Your Committee received comments in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; and Sylvia Yuen, Interim Dean and Director of the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa.

Your Committee finds that this measure will support the advancement of the microbiological sciences and promote the application of microbiologically-related information for the improvement of human health, economic well-being, environmental soundness, and national security.

Your Committee has amended this measure by changing the effective date to July 1, 2050, in order 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. 776, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 776, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Kahele, Kouchi).

**SCRep. 655      Ways and Means on S.B. No. 778**

The purpose and intent of this measure is to repeal Act 155, Session Laws of Hawaii 2010.

Your Committee received comments in support of this measure from the Chamber of Commerce of Hawaii; David M. Carr, CPA, Chair, Tax Committee of the Hawaii Society of Certified Public Accountants; and Lisa Maruyama, President and CEO, Hawaii Alliance of Nonprofit Organizations. Your Committee received comments on this measure from the Tax Foundation of Hawaii; Ray Kamikawa, Chun, Kerr, Dodd, Beaman and Wong; Katherine P. Lloyd, General Counsel and Vice President of Operations, Hawaii Community Foundation; and two individuals.

Your Committee finds that Act 155, Session Laws of Hawaii 2010, requires all businesses with excise tax exemptions to register to do business in Hawaii, file their tax returns in a timely manner, and expressly claim their entitlement. Act 155 also creates a personal trust liability for businesses that use the general excise tax as the basis for increasing their prices, and ensures that those funds are paid to the State for the benefit of consumers and businesses.

Your Committee also finds that, while well-intentioned, Act 155 severely penalizes taxpayers who inadvertently fail to file general excise tax returns, even if those taxpayers would not otherwise owe any tax. The taxpayers most likely to unintentionally violate the technical requirements of Act 155 are small businesses, individuals, and non-profit organizations, who are least likely to have access to sophisticated tax advice and are least able to bear the burden of such severe penalties. Your Committee further finds that the imposition of personal trust fund liability is inappropriate since the businesses affected are not holding the general excise tax in trust for other parties.

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 S.B. No. 778, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 778, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kahele, Kouchi).

**SCRep. 656      Ways and Means on S.B. No. 1383**

The purpose and intent of this measure is to support programs that benefit public schools by appropriating grant funds to Hawaii 3R's.

Your Committee finds that the backlog of repair and maintenance projects at public schools requires the support of programs such as Hawaii 3R's, which generates savings for the State in addressing school facility needs by leveraging state grant funds with federal funds, private donations, and community volunteerism. This measure provides a means to invest in the repair and maintenance of public school facilities while promoting community involvement.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to encourage 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. 1383, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1383, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 657 (Majority) Ways and Means on S.B. No. 605**

The purpose and intent of this measure is to improve the operations of the Department of Education by:

- (1) Restructuring the Department of Education into two major divisions: the academic achievement division and the administration division; and
- (2) Establishing senior deputy superintendent positions to head each division established by this measure.

Your Committee finds that the Task Force on Reinventing Government established in 2009 found the Department of Education's existing governance and organizational structure to be unwieldy. This measure implements the task force's recommendation of separating the department's academic achievement-related functions and administrative functions into two major divisions, as a means of increasing efficiency and accountability.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 605, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 658 (Majority) Ways and Means on S.B. No. 1289**

The purpose and intent of this measure is to improve the health of Hawaii residents and encourage persons to make healthy decisions relating to the consumption of alcohol by increasing the liquor tax.

Comments in support of this measure were submitted by Loretta J. Fuddy, A.C.S.W., M.P.H., Acting Director Department of Health; Jackie Berry, Executive Director, Healthy Mothers Healthy Babies Coalition of Hawaii; Carol McNamee, Public Policy Chairman, Mothers Against Drunk Driving; and two individuals.

Comments in opposition to this measure were submitted by Mihoko E. Ito, Distilled Spirits Council of the United States; Lauren Zirbel, Government Relations, Hawaii Food Industry Association; David Lewin, General Manager Hyatt Resorts; Michael Jokovich, General Manager Hyatt Regency Maui Resort and Spa; Lance Hastings, Director of State Government Affairs, MillerCoors; Mattson C. Davis, President Kona Brewing Company; Carol Reimann, Executive Director Maui Hotel and Lodging Association; Warren Shon, Vice President, Hawaii Liquor Wholesalers Association; Paula Hegele, President Tedeschi Vineyards, Ltd.; Bonny Amemiya, Employees of Anheuser-Busch Sales of Hawaii, Inc.; Steve Perry, Vice President Operations, Southern Wine and Spirits of Hawaii; Jerry Gibson, Area Vice President – Hawaii Hilton Worldwide; Chris Colgate, Oahu Regional Manager Duke's Waikiki; Alan Wong, Chef/Owner Alan Wong; Craig Nakatsukasa, Paradise Beverages, Inc.; Mark T. Matsuda, Paradise Beverages; Amy Bender, Business Relations Manager, Kai Vodka, LLC; Joseph J. Franzia, Bronco Wine Company; Robert Johnson, Johnson Bros. of Hawaii; Richard Moon, Vice President, TS Restaurants of Hawaii; Lane Muraoka, Big City Diner; and three hundred seventeen individuals.

Comments on this measure were submitted by George S. Massengale, J.D., Director of Government Relations, American Cancer Society; Phyllis Horner Nishimoto, CSW, Kobrand Hawaii State Manager; Wes Zane, Formaggio Wine Bar and Grill; and one individual.

Your Committee finds that an increase in the liquor tax would promote the health and safety of Hawaii residents by reducing alcohol consumption, which in turn, would reduce alcohol-related health conditions and accidents. Your Committee further finds that an additional benefit would be the generation of additional tax revenue from liquor sales in the State.

Your Committee has amended this measure by:

- (1) Clarifying in section 1 that the intent of the measure is to curb the consumption of alcohol in order to reduce incidences of alcohol-related morbidity and mortality by increasing the liquor tax;
- (2) Deleting outdated tax rates from section 244D-4(a), Hawaii Revised Statutes;
- (3) Changing the amounts of the proposed tax rates that will take effect on July 1, 2011, to unspecified amounts;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on this issue; and



- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1289, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1289, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Dela Cruz, Espero, Fukunaga, Kim, Kahele, Ryan, Tokuda, Wakai). Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 659 Ways and Means on S.B. No. 1219**

The purpose and intent of this measure is to require:

- (1) That funding for the Lanaihale watershed management plan be provided solely from private sources; and
- (2) The Department of Land and Natural Resources to control and manage implementation of the Lanaihale watershed management plan.

Your Committee received written comments in support of this measure from Robbie Alm, Executive Vice President, Hawaiian Electric Company, Inc.

Your Committee received written comments in opposition to this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Jay F. Penniman, Research Specialist/Project Manager, Maui Nui Seabird Recovery Project; and ten individuals.

Your Committee finds that an estimated sixty-five per cent of Lanai's primary aquifer's recharge comes from fog drip and that fog drip interception by mountain forests significantly increases precipitation. The loss of forest cover will change precipitation levels and negatively affect the recharge of the island's aquifer. Accordingly, your Committee finds that execution of a watershed management plan that protects the native forest is necessary for the protection of the fresh water recharge area.

Your Committee has amended this measure by:

- (1) Clarifying that this measure does not apply to any state funds appropriated to implement the Lanaihale watershed management plan prior to the enactment of the measure;
- (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. 1219, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1219, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

**SCRep. 660 Ways and Means on S.B. No. 1375**

The purpose and intent of this measure is to address the unique needs of multi-track schools while maintaining educational standards for Hawaii's students by requiring:

- (1) Multi-track public schools to have school years of at least one hundred seventy-one days or ninety percent of the minimum number of days required of other non-charter public schools, whichever number is greater, and at least ninety percent of the minimum number of student instructional hours; and
- (2) The Department of Education to submit to the Legislature a plan to implement a multi-track school year of at least ninety percent of the number of days and instructional hours required of other non-charter public schools, beginning with the 2015-2016 school year.

Your Committee finds that multi-track schools are distinct from other schools in that groups of students attend the same multi-track school on different schedules as a means of addressing overcrowding. Because of the unique schedules of multi-track schools, the current mandate of one hundred eighty instructional days and minimum instructional hours for all public schools, beginning with the 2011-2012 school year, imposes an undue hardship on multi-track school students, parents, and staff. Alternative requirements will help ensure that multi-track schools meet their obligations to students under more manageable schedules.

To encourage further discussion, your Committee has amended this measure by changing:

- (1) To unspecified amounts, the percentages of minimum school days and instructional hours required of other non-charter public schools that multi-track schools must implement; and
- (2) The effective date to July 1, 2050.

Technical, nonsubstantive amendments were also made 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. 1375, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1375, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 661 (Majority) Ways and Means on S.B. No. 333**

The purpose and intent of this measure is to expand the uses of the Hawaii historic preservation fund by requiring one per cent of all capital improvement appropriations for state buildings to be deposited in the fund.

The measure also capitalizes on the accelerated construction programming proposed by the new gubernatorial administration to assist in the restoration and preservation of such heritage assets as the Bernice Pauahi Bishop Museum, Iolani Palace, and Washington Place.

Your Committee received testimony in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Kiersten Faulkner, Executive Director Historic Hawaii Foundation; and Bishop Museum. Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that, in the current economic climate, it is difficult to pursue new financial resources to ensure the preservation of Hawaii's heritage assets without a corresponding commitment on the part of the State to provide an underlying baseline of state funding support.

Your Committee has amended this measure by:

- (1) Changing the amount of transfer moneys to be exceeded to an unspecified sum to facilitate further discussion on this issue; and
- (2) Making technical, nonsubstantive amendments for 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. 333, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 333, S.D. 3.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Kidani, Kouchi).

**SCRep. 662 (Majority) Ways and Means on S.B. No. 105**

The purpose and intent of this measure is to adopt the Uniform Real Property Transfer on Death Act to authorize transfers of real property to intended beneficiaries through a transfer on death deed that avoids the requirements of probate.

Your Committee received testimony in support of this measure from Peter Hamasaki, Commission to Promote Uniform Legislation; and G.A. Rock.

Your Committee finds that this measure simplifies the transfer of real property to intended heirs and beneficiaries, providing substantial savings in time and costs. In addition to allowing surviving families and beneficiaries to avoid the expenses and potentially lengthy processes of probate court, this measure will also provide the State cost savings by reducing the need for probate court services.

Your Committee has amended this measure by:

- (1) Inserting a definition of "revocatory act" to specify acts by which transfer on death deeds may not be revoked;
- (2) Clarifying that transfer on death deeds are ineffective if the transferor is a joint owner of the subject property and is survived by at least one other joint owner;
- (3) Making a technical, nonsubstantive change for consistency; and
- (4) Changing 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 S.B. No. 105, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 105, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 663 (Majority) Ways and Means on S.B. No. 699**

The purpose and intent of this measure is to establish an environmental review special fund for the Office of Environmental Quality Control, in the Department of Health.

Furthermore, this measure requires the Office of Environmental Quality Control to adopt filing fees related to environmental assessments and environmental impact statements, for deposit into the environmental review special fund.

Your Committee received comments in support of this measure from Robert D. Harris, Director, Sierra Club Hawaii Chapter; and two individuals.

Your Committee received comments in opposition to this measure from Kalbert K. Young, Director, Department of Budget and Finance; the Department of Design and Construction, City and County of Honolulu; and the Land Use Research Foundation of Hawaii.

Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee finds that this measure will enable the Office of Environmental Quality Control to establish appropriate fees to cover the cost of its services.

Your Committee has amended this measure by:

- (1) Changing the amounts of the new filing fees to unspecified sums; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 699, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 699, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 664 Ways and Means on S.B. No. 1247**

The purpose and intent of this measure is to:

- (1) Establish the Aloha Tower community development district within the Kakaako community development district; and
- (2) Abolish the Aloha Tower Development Corporation, transferring its assets to the Department of Transportation and its zoning and planning jurisdiction to the Hawaii Community Development Authority.

Your Committee received written comments in support of this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism.

Your Committee received written comments in opposition to this measure from the Department of Transportation.

Your Committee received comments on this measure from Anthony J. H. Ching, Executive Director, Hawaii Community Development Authority.

Your Committee finds that this measure will help ensure that the State's investment and objectives for the Aloha Tower Marketplace complex are protected and its potential is realized.

Your Committee has amended this measure by:

- (1) Making conforming amendments to sections 26-18, 36-27, 36-30, 171-2, and 171-64.7, Hawaii Revised Statutes, to reflect the repeal of the Aloha Tower Development Corporation and the new section references for the Aloha Tower fund;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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 S.B. No. 1247, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1247, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 665 Ways and Means on S.B. No. 918**

The purpose and intent of this measure is to support youth suicide prevention services in the schools by appropriating funds to restore positions for a peer education program resource teacher and a full-time clerk-typist for suicide prevention services within the Department of Education.

Your Committee received written comments in support of this measure from Kathryn S. Matayoshi, Superintendent of Education, Department of Education.

Your Committee finds that suicide is reportedly the second-leading cause of death in Hawaii among persons fifteen to twenty-four years old and that the rate of attempted suicides among Hawaii high school students is more than double the national average. This measure provides resources to support school suicide prevention services that can help students deal with the issues that lead to suicide.

Your Committee has amended this measure by changing:

- (1) The amount of the appropriation to an unspecified sum; and
- (2) The effective date to July 1, 2050, to facilitate further discussion on this measure.

Technical, nonsubstantive amendments were also made 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. 918, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 918, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 666      Ways and Means on S.B. No. 127**

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to provide a grant subject to chapter 42F, Hawaii Revised Statutes, for the establishment and operation of a comprehensive deaf center.

Your Committee received written comments in support of this measure from six individuals. Your Committee received comments on the measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that appropriating funds for a grant to establish and operate a comprehensive deaf center would help empower deaf, hard of hearing, and deaf-blind persons in Hawaii and promote social awareness of their issues and concerns.

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) Changing the amounts of the appropriations to unspecified sums.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 127, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 127, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kouchi, Wakai).

**SCRep. 667      (Majority) Ways and Means on S.B. No. 925**

The purpose and intent of this measure is to reinstate a hospital-based screening and assessment program and intensive home visiting program for families at high risk for child abuse and appropriate funds needed to continue these programs.

Comments in support of this measure were submitted by Loretta J. Fuddy, A.C.S.W., M.P.H., Acting Director, Department of Health; Patricia McManaman, Interim Director, Department of Human Services; Gail Breakey, Executive Director, Hawaii Family Support Institute; Dr. Robert Peters, Chair, Early Learning Council; and Ave Diaz.

Your Committee received comments in opposition to this measure from George S. Massengale, J.D., Director of Government Relations, American Cancer Society.

Your Committee received comments on this measure from Donald B. Weisman, Hawaii Advocacy Director, American Heart/Stroke Association; Elisabeth Chun, Executive Director, Good Beginnings Alliance; and Trisha Y. Nakamura, Esq., Policy and Advocacy Director, Coalition for a Tobacco Free Hawaii.

Your Committee finds that reductions in the Healthy Start program have eliminated the assessment capacity and home visiting services that helped to screen high-risk families and prevent child abuse. Your Committee further finds that the reinstatement of a hospital-based screening and assessment program and intensive home visiting program will reduce child abuse in Hawaii and allow for healthy child development. Your Committee also finds that expenditures in this measure will allow these programs to fulfill federal funding requirements for matching funds.

Your Committee has amended this measure by:

- (1) Adding language to section 1 to clarify that the use of moneys from the Hawaii tobacco settlement special fund and temporary assistance for needy families funds is appropriate and necessary to ensure that the public health interests of the health and safety of at-risk children are met;
- (2) Adding language to section 1 to clarify that the purpose of this measure is to appropriate funds from the Hawaii tobacco settlement special fund and temporary assistance for needy families funds and to increase the appropriation ceiling of the Hawaii tobacco settlement special fund to allow this expenditure from that fund;
- (3) Directing, rather than authorizing, the hospital-based screening and assessment program to take specified actions;
- (4) Directing, rather than authorizing, the intensive home visiting services program to provide specified services;
- (5) Requiring services of the intensive home visiting program to be initiated on an incremental basis, with geographic priority to be determined by departmental needs assessment and to be implemented as funds become available;
- (6) Increasing the Hawaii tobacco settlement special fund ceiling appropriation ceiling to \$53,154,866 in fiscal years 2011-2012 and 2012-2013;
- (7) Changing the amounts of the appropriations out of the Hawaii tobacco settlement special fund and the temporary assistance for needy families funds to unspecified amounts;
- (8) Changing the effective date to July 1, 2050, to promote further discussion of the measure; and
- (9) 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. 925, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 925, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 668      Ways and Means on S.B. No. 912**

The purpose and intent of this measure is to appropriate funds for the housing placement program within the Homeless Programs Office of the Department of Human Services.

Your Committee received written comments in support of this measure from Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii; Myoung Oh, Government Affairs Director, Hawaii Association of REALTORS; and Max Gray, Partners In Care.

Your Committee received comments on this measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that this measure will help increase the availability of rental housing for persons who face obstacles in moving from homelessness to permanent housing and for persons with lower incomes who need affordable rental housing.

Your Committee has amended this measure by:

- (1) Changing the appropriation for the housing placement program to an unspecified sum;
- (2) Making unspecified appropriations to the Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, and the Hawaii Public Housing Authority to improve the existing public and affordable housing stock and increase public and affordable housing units in the State;
- (3) Making unspecified appropriations to each of the counties to improve existing affordable housing stock and increase affordable housing units in the counties;
- (4) Requiring the Department of Human Services to immediately implement the Housing First program and report to the Legislature; 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 S.B. No. 912, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 912, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Fukunaga).

**SCRep. 669      Ways and Means on S.B. No. 904**

The purpose and intent of this measure is to require the Department of Human Services to identify properties statewide that are appropriately zoned and have necessary infrastructure in place for the development of affordable rental housing under the housing first program.

Your Committee received written comments in support of this measure from Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii; and Kent Anderson, Roman Catholic Diocese of Honolulu. Your Committee received written comments on this measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that housing first programs have been very successful in many areas on the mainland in assisting homeless persons transition to permanent housing.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 904, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 904, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Fukunaga).

**SCRep. 670      Ways and Means on S.B. No. 1468**

The purpose and intent of this measure is to improve the Medicaid health care system by delivering comprehensive, integrated, and holistic health care services to patients, including preventive and lifestyle health services.

Specifically, this measure:

- (1) Establishes the Hawaii Patient Centered Health Home pilot program within the Medicaid program; and
- (2) Creates the temporary Hawaii Medicaid Modernization and Innovation Council to design and implement the pilot program.

Your Committee received written comments in support of this measure from Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Service Association; Morris Mitsunaga, MD, President, Hawaii Medical Association; Beth Giesting, Chief Executive Officer, Hawaii Primary Care Association; Dan Domizio, Clinical Director and Chief Executive Officer, Puna Community Medical Center; Diana V. Shaw, Executive Director, Lanai Community Health Center; Barbara Kualii, Clinical Quality Improvement Coordinator, Bay Clinic, Inc.; Kauila Clark, Chair-elect, National Association of Community Health Centers; May Akamine, Waimanalo Health Center; and one private individual. Your Committee received testimony in opposition to the measure from Patricia McManaman, Interim Director, Department of Human Services. Your Committee received comments on this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; and Ohana Health Plan.

Your Committee finds that patient-centered health homes embody a comprehensive approach to health care, improving the individual experience of care, reducing per capita costs for care, and improving the overall health in populations where the homes are located. This comprehensive approach differs from the traditional delivery of health care by moving patient treatment away from acute, incident-based care, toward a more proactive, wellness-oriented patient behavior paradigm.

Establishing the Hawaii Patient Centered Health Home pilot program and the Hawaii Medicaid Modernization and Innovation Council will improve the Medicaid health care system of Hawaii and help health care providers to deliver comprehensive, integrated, and holistic health care services to patients.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1468, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1468, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 671 Ways and Means on S.B. No. 985**

The purpose and intent of this measure is to appropriate funds for the 2011-2013 biennial operating and capital improvement budget of the Office of Hawaiian Affairs.

Your Committee received written comments in support of this measure from Alice Greenwood.

Your Committee finds that the primary purpose of the Office of Hawaiian Affairs general funds received from the State is to provide services and assistance to Native Hawaiians in the areas of social services, legal services and representation, and educational programs.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified sums;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 985, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 985, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 672 (Majority) Ways and Means on S.B. No. 1327**

The purpose and intent of this measure is to allow for the assessment of a passenger facility charge for each overseas or international passenger boarding an aircraft at a state airport, as authorized by federal law.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure maintains state law in conformance with federal law by eliminating the need to amend administrative rules each time the Federal Aviation Administration changes the maximum allowable rate of passenger facility charges for Hawaii.

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 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. 1327, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1327, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 673 Ways and Means on S.B. No. 224**

The purpose and intent of this measure is to increase education and awareness of lupus.

Specifically, this measure establishes a temporary working group within the Department of Health to develop a comprehensive plan to promote public and health professional education and awareness of lupus.

Your Committee received written comments in support of this measure from the Hawaii Medical Association and Tracy H. Okubo.

Your Committee received comments on the measure from Cheryl Ann Jong, President, Lupus Hawaii.

Your Committee finds that more than one and a half million Americans and ten thousand Hawaii residents are affected by lupus. The disease, which results from an unbalanced immune system, is unpredictable and potentially fatal and there are no satisfactory treatments. Although the Food and Drug Administration has made recommendations, in the last fifty years there have been no new drugs approved that specifically treat lupus. The creation of a statewide program would promote lupus education and awareness in healthcare providers and patients and increase early diagnoses.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 224, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 224, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 674 (Majority) Ways and Means on S.B. No. 179**

The purpose and intent of this measure is to include dietary supplement containers in the state deposit beverage container program.

Your Committee received comments in support of this measure from Loretta J. Fuddy, A.C.S.W., M.P.H., Acting Director of Health, Department of Health; Sierra Club, Hawaii Chapter; Joy Leilei Shih, Surfrider Foundation, Oahu Chapter; and two individuals.

Your Committee received comments in opposition to this measure from Lauren Zirbel, Vice Chair, Hawaii Food Industry Association; and John Hewitt, Western Region Director, Grocery Manufacturers Association.

Your Committee received comments on this measure from one individual.

Your Committee finds that dietary supplements are excluded from the definition of “deposit beverage” under the state deposit beverage container program, codified in chapter 342G, Hawaii Revised Statutes. Your Committee further finds that certain energy drinks are using this exemption to evade compliance with the State’s deposit beverage container program law and that there is no reason to continue the exemption for this growing class of beverages.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion of the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 179, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 179, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 675 Ways and Means on S.B. No. 121**

The purpose and intent of this measure is to authorize the Hawaii Health Systems Corporation to lease Kula Hospital’s medical clinic, and any furnishings and equipment agreed upon, to Malama I Ke Ola Health Center.

Specifically, this measure authorizes Hawaii Health Systems Corporation to lease the Kula Hospital medical clinic to Malama I Ke Ola Health Center for \$1 per year for a period of ten years, with the option to renew the lease for up to two additional terms of five years each. This measure also provides for the lease of equipment, furnishings, and fixtures within the clinic, as agreed between the parties, for \$1 per year.

Your Committee finds that leasing Kula Hospital to the Malama I Ke Ola Health Center would allow the continuation of a crucial source of health care and social services to homeless, poor, and underserved individuals on Maui.

Your Committee has amended this measure by:

- (1) Changing the amounts of the property and equipment leases to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this issue; 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. 121, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 121, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (English). Noes, none. Excused, 1 (Kidani).

**SCRep. 676 Ways and Means on S.B. No. 165**

The purpose and intent of this measure is to promote the continued development of aerospace-related industries in the State by:

- (1) Extending the sunset date of the advisory committee created under Act 161, Session Laws of Hawaii 2009, to assist the Department of Business, Economic Development, and Tourism in developing a statewide starlight reserve strategy; and

- (2) Appropriating funds for the Office of Aerospace Development to carry out its duties to identify and promote opportunities for expanding and diversifying aerospace-related industries in the State.

Your Committee received testimony in support of this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism.

Your Committee received comments on this measure from the Department of Transportation.

Your Committee finds that the Starlight Reserve Advisory Committee plays an essential role in promoting aerospace industries in Hawaii by working to preserve and promote the State's night sky resources. Your Committee further finds that the advisory committee needs more time to assist the Department of Business, Economic Development, and Tourism in developing a comprehensive statewide starlight reserve strategy. Your Committee also notes that further coordination and discussions among all the affected parties and agencies is needed.

Your Committee has amended this measure by:

- (1) Extending the sunset date of the advisory commission by an additional year so that it ceases to exist on June 30, 2013, rather than June 30, 2012;
- (2) Removing all appropriation amounts;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; 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 S.B. No. 165, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 165, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 677      Ways and Means on S.B. No. 742**

The purpose and intent of this measure is to allow the State Fire Council to employ staff to assist in accomplishing the council's statutory duties and responsibilities.

Specifically, the measure authorizes the State Fire Council to hire an administrator and an administrative assistant.

Your Committee received comments in support of this measure from Kenneth G. Silva, Chair, State Fire Council, and Fire Chief, Honolulu Fire Department; Jeffrey A. Murray, Fire Chief Department of Fire and Public Safety, County of Maui; and Trisha Y. Nakamura, Esq., Policy and Advocacy Director, Coalition for a Tobacco-Free Hawaii.

Your Committee finds that the State Fire Council needs to employ staff to better fulfill the Council's statutory responsibilities and to protect the safety of the public.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 742, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 742, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 678      Ways and Means on S.B. No. 1426**

The purpose and intent of this measure is to explore options for balancing the state budget by:

- (1) Requiring the City and County of Honolulu to return to the State \$200,000,000 of the revenues from the county surcharge on state general excise and use taxes;
- (2) Authorizing the issuance of general obligation bonds in the sum of \$300,000,000 to reimburse the City and County of Honolulu; and
- (3) Extending the county surcharge on general excise and use taxes under Act 247, Session Laws of Hawaii 2005, by two years.

Your Committee received written comments in opposition to this measure from Peter B. Carlisle, Mayor, City and County of Honolulu; and the Land Use Research Foundation of Hawaii. Written comments were received from the Tax Foundation of Hawaii.

Your Committee finds that the State must find innovative ways to balance its budget amid the current economic crisis. Borrowing funds from the City and County of Honolulu's surcharge on state taxes and repaying the county with revenues from the issuance of general obligation bonds will help the State to maintain current services and personnel while ensuring that the county is repaid in a timely manner.

Your Committee has amended this measure by:



(1) Changing to unspecified sums, the dollar amounts for county surcharge revenues to be returned to the State and the general obligation bond proceeds to be transferred to the City and County of Honolulu;

(2) Clarifying that the State is to seek the affirmative advice of its bond counsel regarding any potential effect on the State's bond rating from using the general obligation bonds to replace the county surcharge revenues returned from the City and County of Honolulu; 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. 1426, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1426, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Dela Cruz, Espero, Kim, Ryan, Tokuda, Wakai). Noes, none. Excused, 1 (Kidani).

**SCRep. 679 Ways and Means on S.B. No. 879**

The purpose and intent of this measure is to repeal the uniform maintenance allowance for enlisted personnel.

Your Committee finds that most modern military service uniforms are made of wash and wear fabric that no longer requires dry cleaning. Considering the budget crisis faced by the State, the uniform maintenance allowance is not warranted at this time.

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 S.B. No. 879, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 879, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Kahele). Noes, none. Excused, 1 (Kidani).

**SCRep. 680 Ways and Means on S.B. No. 871**

The purpose and intent of this measure is to expand participation in school activities by:

- (1) Requiring the Department of Education and the Board of Education to develop policies and procedures allowing home-schooled students to participate on an equal basis in extracurricular activities offered at the public school that the home-schooled students would otherwise be required to attend; and
- (2) Requiring the Department of Education to report its findings, including the status of developing the policies and procedures for home-schooled students, to the Legislature prior to the Regular Session of 2012.

Your Committee received written comments in support of this measure from Kim Coco Iwamoto, Esq., Member, Board of Education.

Your Committee received written comments in opposition to this measure from Neal Takamori, President, Athletic Directors and Coaches Association of Hawaii; Hawaii Student Activities Association; and three individuals.

Your Committee finds that home-schooled students can benefit substantially from extracurricular school activities in the same manner as their public school counterparts.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (2) 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. 871, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 871, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14; Ayes with Reservations (Kidani, Kim). Noes, none. Excused, none.

**SCRep. 681 Ways and Means on S.B. No. 238**

The purpose and intent of this measure is to allow the University of Hawaii to retain and carry over to the next fiscal year up to five per cent of its general fund appropriation.

Your Committee received comments in support of this measure from Howard Todo, Vice President for Budget and Finance/CFO, University of Hawaii System; Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Service Association; and one individual.

Your Committee finds that allowing the carryover to the University of Hawaii will result in a more efficient utilization of both university and state resources by reducing the time and effort expended by fiscal personnel to avoid the lapsing of general funds at the end of a fiscal year.

Your Committee has amended this measure by:

- (1) Changing the amount of carryover general funds to an unspecified percentage;
- (2) Providing an unspecified deadline for submitting the annual report to the Legislature;
- (3) Changing the effective date to July 1, 2050, in order to facilitate further discussion on the matter; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 238, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 238, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (English). Noes, none. Excused, 1 (Kouchi).

**SCRep. 682 (Majority) Ways and Means on S.B. No. 1261**

The purpose and intent of this measure is to provide employer contribution amounts for plan year 2010-2011 for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for the employees of collective bargaining units (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), and (13) and their excluded counterparts.

Your Committee received testimony in support of this measure from Kalbert Young, Director, Department of Budget and Finance; and Randy Perreira, Executive Director, Hawaii Government Employees Association.

Your Committee received comments on this measure from Michael Kaho'ohanoano.

Your Committee finds that state employees have absorbed the costs of all health benefit plan premium increases since July 2009. Your Committee also finds that the increase in employer contributions provided by this measure coincides with the next Hawaii Employer-Union Health Benefits Trust Fund premium increase to begin in March 2011.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1261, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1261, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 683 (Majority) Ways and Means on S.B. No. 1329**

The purpose and intent of this measure is to improve the maintenance of the state highway system.

Specifically, the measure generates revenue to fund highway maintenance projects by increasing the state vehicle weight tax as follows:

- (1) From 0.75 cent a pound to 1.75 cents a pound for vehicles up to and including four thousand pounds net weight;
- (2) From 1.00 cent a pound to 2.00 cents a pound for vehicles over four thousand pounds and up to and including seven thousand pounds net weight;
- (3) From 1.25 cents a pound to 2.25 cents a pound for vehicles over seven thousand pounds and up to and including ten thousand pounds net weight; and
- (4) From a flat rate of \$150 to a flat rate of \$300 for vehicles over ten thousand pounds net weight.

This measure also appropriates an unspecified amount from the state highway fund for the operation and maintenance of the state highways program.

Your Committee received comments in opposition to this measure from Gareth Sakakida, Managing Director, Hawaii Transportation Association; and Douglas Meller.

Your Committee received comments on this measure from Gail Y. Haraguchi, Director, Department of Consumer Services, City and County of Honolulu; and the Tax Foundation of Hawaii.

Your Committee finds that as more drivers take to the road and land development spreads to new areas of the State, additional funds are necessary to provide a safe, efficient, and effective state highways system.

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 style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1329, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Dela Cruz, Espero, Fukunaga, Wakai). Noes, 3 (Kim, Ryan, Slom). Excused, 1 (Kouchi).

**SCRep. 684      Ways and Means on S.B. No. 1269**

The purpose and intent of this measure is to amend the definition of “compensation” for the purpose of calculating retirement benefits by:

- (1) Providing a gradual stepped-down calculation for additional compensation for members of the Employees' Retirement System who are members as of June 30, 2011; and
- (2) Excluding additional compensation for new members of the Employees' Retirement System.

Your Committee received written comments in support of this measure from Kalbert Young, Director, Department of Budget and Finance. Your Committee received written comments in opposition to this measure from Randy Perreira, Executive Director, Hawaii Government Employees Association. Your Committee received written comments on this measure from John K. Sang.

Your Committee finds that this measure addresses the unfunded liability of the Employees' Retirement System and is an important step in improving its long-term viability.

Your Committee has amended this measure by:

- (1) Clarifying that the term “additional compensation” does not include twelve-month differentials for employees of the Department of Education; 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. 1269, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1269, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Fukunaga).

**SCRep. 685      (Majority) Ways and Means on S.B. No. 11**

The purpose and intent of this measure is to create a transition task force to plan for the establishment of a Department of the Sheriff to assume responsibilities and functions currently exercised by the Sheriff Division of the Department of Public Safety.

Your Committee received testimony in support of this measure from Nora A. Nomura, Deputy Executive Director, Hawaii Government Employees Association; and forty-three individuals.

Your Committee finds that the Sheriff Division of the Department of Public Safety shoulders many responsibilities integral to preserving the public peace and safety. The myriad responsibilities may warrant establishing an agency separate from the Department of Public Safety, mirroring the practice of several mainland states. Creating a transition task force to study the establishment of a Department of the Sheriff will enable the State to determine the merits of the plan and outline any potential concerns or shortfalls beforehand.

Your Committee has amended this measure by:

- (1) Requiring the task force to cease to exist on May 1, 2012;
- (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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 11, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Kouchi). Noes, 3 (English, Kidani, Kim). Excused, 1 (Dela Cruz).

**SCRep. 686      (Majority) Ways and Means on S.B. No. 1506**

The purpose and intent of this measure is to address the growing epidemic of childhood obesity by establishing a Childhood Obesity Pilot Program.

More specifically, the measure:

- (1) Establishes the childhood obesity pilot program within the Department of Health for administrative purposes;
- (2) Requires the director of health to select twenty health care providers to participate;
- (3) Requires insurers to provide coverage for provider participant services under the program; and
- (4) Appropriates funds for the program's support.

Your Committee received comments in support of this measure from Patricia McManaman, Interim Director, Department of Human Services; Hawaii Medical Association; Sandra Wood, P.T., Hawaii Chapter, American Physical Therapy Association; Donald B. Weisman, Hawaii Advocacy Director, American Heart Association; George S. Massengale, JD, Director of Government Relations, American Cancer Society; Beth Giesting, Chief Executive Officer, Hawaii Primary Care Association; Jennifer Dang, Hawaii NPAC; and 2 individuals.

Your Committee received comments on this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs.

Your Committee finds that childhood obesity is a national epidemic from which Hawaii has not been spared. It is imperative that the State develop a plan to address this serious health risk in a comprehensive way.

Your Committee has amended this measure by:

- (1) Changing the date by which the Childhood Obesity Pilot Program provider participants shall report to the Legislature to no later than twenty days prior to the convening of the 2015 regular session;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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. 1506, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1506, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Kim). Noes, 2 (Ryan, Slom). Excused, 1 (Kidani).

**SCRep. 687      Ways and Means on S.B. No. 34**

The purpose and intent of this measure is to clarify that pre-trial discovery is prohibited and the award of costs shall be limited in controversies adjudicated under the small claims procedure of the tax appeal court.

Your Committee finds that while pre-trial discovery is generally permitted in civil cases, small claims procedures are intended to handle claims quickly and inexpensively. Your Committee also finds that this measure will serve to make the small claims procedure of the tax appeal court consistent with those of other state courts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 34, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 688      Ways and Means on S.B. No. 769**

The purpose and intent of this measure is to create jobs in the construction industry and improve the tourism industry in the State by establishing a hotel and resort property construction and renovation tax credit.

Your Committee received comments in support of this measure from Mike McCartney, President and Chief Executive Officer, Hawaii Tourism Authority; Land Use Research Foundation of Hawaii; and C. Mike Kido, External Affairs, The Pacific Resource Partnership.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the measure establishes a tiered, nonrefundable tax credit against a taxpayer's income tax liability for costs incurred on qualified hotel and resort property construction projects in the State. The percentages and qualifying monetary thresholds and ceilings are unspecified.

Your Committee believes that this measure has the potential to create new jobs in the construction industry and improve the tourism industry if private developers are committed to fully utilizing the tax credit as proposed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 769, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 689      (Majority) Ways and Means on S.B. No. 1090**

The purpose and intent of this measure is to amend sections of the Hawaii Revised Statutes to conform with Act 253, Session Laws of Hawaii 2000, by:

- (1) Converting a number of positions that are exempt from civil service to civil service positions; and
- (2) Clarifying that, after July 1, 2014, certain positions shall be filled according to the state civil service law.

Your Committee received comments in support of this measure from Rodney A. Maile, Administrative Director of the Courts, The Judiciary, State of Hawaii; and Randy Perreira, Executive Director, Hawaii Government Employees Association. Your Committee received comments in opposition to this measure from Stephen Levins, Executive Director, Office of Consumer Protection, Department of Commerce and Consumer Affairs; Alan Taniguchi, Executive Officer for the Real Estate Appraisal Program, Department of Commerce and Consumer Affairs; and Kealii Lopez, Director, Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from Dwight Takamine, Director, Department of Labor and Industrial Relations; and Mila Kaahanui, Executive Director, Department of Labor and Industrial Relations.

Your Committee finds that Act 253, Session Laws of Hawaii 2000, was enacted to reduce the number of civil service exempt employees in public service within the State. Your Committee also finds that, since the enactment of Act 253, relatively few civil

service exempt positions have been converted to civil service positions. Your Committee believes that this measure will serve as a means to promote stability among staff as well as to support and preserve the integrity of the civil service system in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1090, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Chun Oakland, Dela Cruz, Ryan). Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 690 Ways and Means on S.B. No. 1511**

The purpose and intent of this measure is to support the growth of the aquaculture industry by increasing lease terms for aquaculture operations from thirty-five to sixty-five years.

Further, the measure authorizes the granting of a right of first refusal to aquacultural operations in good standing.

Your Committee received written comments in support of this measure from Frederick M. Mencher, East Oahu County Farm Bureau; Ronald P. Weisenbach, President, Hawaii Aquaculture and Aquaponics Association; Hawaii Fish Company, Inc.; North Shore AquaFarm; Hawaii Farm Bureau; and one individual.

Your Committee received written comments in opposition to the measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Charles Flaherty, President, Apono Hawaii; Food and Water Watch; Linda Morgan, Ka 'Ohana O Honaunau; and twenty-three individuals.

Your Committee finds that federally guaranteed loans for aquaculture enterprises are available for loan terms up to forty years, but some of these require applicants to have a lease with at least five years remaining past the term of the loan, for a minimum of forty-five years. Other federal loans require a lease at least fifty per cent longer than the term of the loan.

Currently, aquaculture leases in Hawaii have a statutory limit of thirty-five years, with no option for renewal. Providing favorable terms for the leasing of public lands better enables aquaculture enterprises to pursue federally guaranteed loans and encourages commercial aquaculture production in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1511, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

**SCRep. 691 Ways and Means on S.B. No. 1530**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to extend hotel and resort leases upon approval of a proposed development agreement to make substantial improvements to the premises.

Your Committee received written comments in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; and Mike McCartney, President and Chief Executive Officer, Hawaii Tourism Authority. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that improvements to hotel and resort infrastructure are important to the growth and expansion of Hawaii businesses and the enhancement of Hawaii's visitor infrastructure. Authorizing the extension of leases will give hotels and resorts incentive to improve their properties, which is particularly important to accommodate an anticipated increase in visitors due to new direct mainland flights starting next summer.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1530, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 692 Commerce and Consumer Protection on S.B. No. 98**

The purpose and intent of this measure is to:

- (1) Require the Public Utilities Commission to hold public hearings, subject to specified notice requirements, before approving a water carrier's application for a certificate of public convenience and necessity; and
- (2) Specify the findings required to support the issuance of a certificate of public convenience and necessity to a water carrier.

Your Committee received testimony in support of this measure from Young Brothers, Limited. Your Committee received comments on this measure from the Public Utilities Commission of the Department of Budget and Finance.

Your Committee finds that water carrier service is vital to the economy of this State, particularly to the economic growth and sustainability of the neighbor islands. Your Committee further finds that reliable water carrier service is essential to the State's goal of developing diversified, sustainable agriculture by enabling farm-to-market transportation of agricultural products among the islands. Your Committee also finds that the current approval process for new water carrier service lacks transparency and the opportunity for participation by the resident individuals and businesses affected by proposed new services and changes to existing services. Accordingly, your Committee finds that the changes to the approval process for water carriers' certificates of public convenience and necessity contained in this measure increase transparency and provide opportunities for public participation in the process.

Your Committee has amended this measure by:

- (1) Specifying that notice of a public hearing regarding a water carrier's application for a certificate of public convenience and necessity shall be effective upon the provision of notice on each island affected by the proposed water carrier service as specified by statute;
- (2) Specifying that a water carrier shall demonstrate that a proposed service will provide quantifiable benefits with respect to reliability, affordability, and security of the service line in order to qualify for a certificate of public convenience and necessity;
- (3) Removing a requirement that a water carrier demonstrate in an application for a certificate of public convenience and necessity whether a proposed service will diminish an existing water carrier's ability to realize its allowable rate of return;
- (4) Adding a new provision to require that the Public Utilities Commission (Commission) post a link on the Commission's website to a publicly accessible electronic version of each application for a certificate of public convenience and necessity submitted by a water carrier and each order of the Commission related to the posted applications and to specify requirements for the type, method, and duration of postings; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 98, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 98, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Nishihara, Slom).

**SCRep. 693 (Majority) Commerce and Consumer Protection on S.B. No. 597**

The purpose and intent of this measure is to authorize limited prescriptive authority for qualified psychologists practicing at a federally qualified health center.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, Moloka'i Community Health Center, the American Psychological Association Practice Organization, Hawai'i Primary Care Association, Hawaii Psychological Association, Hui No Ke Ola Pono, Inc. and Malama I Ke Ola Health Center, Puna Community Medical Center, Waimanalo Health Center, Kookia Kalihi Valley Comprehensive Family Services, Na Pu'uwai Native Hawaiian Health Care System, Psychological Resources Hawaii, and seven private individuals. Your Committee received testimony in opposition to this measure from the Board of Psychology, Hawaii Medical Association, Psychologists Opposed to Prescription Privileges for Psychologists, and four private individuals. Your Committee received comments on this measure from Argosy University.

Your Committee finds that most of the State has been designated by the Health Resources and Services Administration of the United States Department of Health and Human Services as a mental health professional shortage area. Due to a lack of qualified providers in isolated rural areas and dense high-need urban areas of the State, residents have limited access to mental health care and the needs of many individuals go unmet. Your Committee also finds that the experience of the federal health care system and states that have already granted prescriptive authority demonstrate that appropriately trained psychologists can prescribe psychotropic medications safely and effectively. Further, your Committee finds that Hawaii's experience with granting prescriptive authority to other types of health care providers such as advanced practice registered nurses, physician assistants, and optometrists has shown that granting limited prescriptive authority to non-physician practitioners is administratively manageable and is an effective means of expanding access to important health care services.

Your Committee has amended this measure by:

- (1) Specifying that the limited prescriptive authority granted pursuant to this measure shall be initiated as a five-year pilot program that shall commence at Waianae Coast Comprehensive Health Center and later be expanded to other federally qualified health centers in the State;
- (2) Clarifying that the limited prescriptive authority granted by this measure shall apply to psychotropic medications not limited to antidepressants;
- (3) Clarifying that the limited prescriptive authority granted by this measure shall authorize a psychologist participating in the pilot program to prescribe psychotropic medications to patients under the psychologist's care at a federally qualified health care center;
- (4) Specifying that a psychologist participating in the pilot program created by this measure shall be directly supervised during the first two years of participation by a physician at the federally qualified health center where the psychologist practices and thereafter shall maintain a collegial relationship with the supervising physician as well as with the physicians who oversee the general health care of patients treated by the psychologist;
- (5) Specifying that the limited prescriptive authority granted by this measure does not include the authority to request, receive, or sign for professional controlled substance samples;
- (6) Defining or clarifying various terms used throughout this measure;
- (7) Requiring that a psychologist holding a conditional prescription certificate shall complete the first year of practice under the direction of a supervising physician;
- (8) Including a psychologist certified to prescribe under the definition of "practitioner" as used in the Uniform Controlled Substances Act, chapter 329, Hawaii Revised Statutes;

- (9) Requiring the Board of Psychology to act expeditiously to adopt rules to ensure that the pilot program commences no later than July 1, 2012;
- (10) Requiring that the Board of Psychology, under the direction of supervising physicians and in collaboration with participating psychologists and staff of participating federally qualified health centers, submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016 on the implementation and results of the pilot program;
- (11) Making the measure effective upon its approval and repeal on June 30, 2016; and
- (12) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 597, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 597, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 3 (Galuteria, Nishihara, Solomon).

**SCRep. 694 Ways and Means on S.B. No. 1115**

The purpose and intent of this measure is to support education by authorizing the issuance of special purpose revenue bonds for Saint Louis School.

Your Committee received written comments in support of this measure from Robert Witt, Executive Director, Hawaii Association of Independent Schools; Daniel S. Gilmore, Vice President, Finance and Facilities, Chaminade University of Honolulu; Anthony R. Guerrero Jr., Chairman-elect of the Board of Trustees, St. Louis School; Hon. Walter S. Kirimitsu, President, Saint Louis School; and one individual.

Your Committee finds that this measure serves the public interest and will help stimulate Hawaii's economy by creating construction projects and jobs.

Your Committee has amended this measure to delete the extraneous word "enterprises" in the phrase "the general public enterprises."

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1115, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1115, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Kouchi, Slom).

**SCRep. 695 Ways and Means on S.B. No. 1521**

The purpose and intent of this measure is to temporarily:

- (1) Allow the Hawaii Institute of Marine Biology to use staff of the Department of Land and Natural Resources to provide security at Coconut Island; and
- (2) Exempt the Hawaii Institute of Marine Biology from state and county permitting requirements for repair and maintenance at Coconut Island.

Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; and Jo-Ann Leong, Director, Hawaii Institute of Marine Biology, University of Hawaii at Manoa, School of Ocean and Earth Science and Technology.

Your Committee finds that state and county permitting processes make it difficult for the Hawaii Institute of Marine Biology to conduct its time-sensitive research work at Coconut Island. This measure addresses these concerns and alleviates the Institute's burden of providing costly security on the island.

Your Committee has amended this measure by:

- (1) Clarifying that the temporary exemptions from permitting requirements for the Hawaii Institute of Marine Biology include permitting requirements under chapter 205A, Hawaii Revised Statutes;
- (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. 1521, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1521, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kim).

**SCRep. 696 Ways and Means on S.B. No. 1485**

The purpose and intent of this measure is to address struggling schools by allowing the Superintendent of Education to:

- (1) Reconstitute a public school after certain considerations have been made, except for a charter school that has been in restructuring for four or more school years and has not made significant advancements toward improving academic performance; and
- (2) Recommend to the Charter School Review Panel actions that should be taken to reconstitute a charter school that has been in restructuring for four or more school years or recommend that the charter school's charter be revoked.

Your Committee received comments in support of this measure from Robert Witt, Executive Director, Hawaii Association of Independent Schools.

Your Committee received comments in opposition to this measure from Leiomalama Desha, Executive Assistant, Hawaii Government Employees Association.

Your Committee finds that this measure enhances the Superintendent of Education's ability to effect change in schools that are not adequately serving the academic needs of their students.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1485, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1485, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 697      Ways and Means on S.B. No. 1283**

The purpose and intent of this measure is to amend the Department of Education's requirements for the certification of principals and vice-principals to accommodate alternate routes of certification that meet federal Race to the Top requirements.

Specifically, this measure allows the Department of Education to determine equivalent experience as a substitute for the requisite school-level experience for principals and vice-principals under current law.

Your Committee received testimony in support of this measure from Christine K. Sorensen, Dean, College of Education, University of Hawaii at Manoa.

Your Committee finds that the federal American Recovery and Reinvestment Act of 2009 provides education funds for states that pursue educational reform and additional funds for states that qualify for Race to the Top funds by advancing educational reform, including alternative routes to certification for teachers and principals. However, the current requirement that a principal or vice-principal in Hawaii possess a minimum amount of school-level experience is too restrictive and conflicts with the Race to the Top grant requirements. This measure allows the Department of Education to determine appropriate equivalent experience for certifications of principals and vice-principals in accordance with Race to the Top requirements.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1283, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1283, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 698      Ways and Means on S.B. No. 1209**

The purpose and intent of this measure is to make an appropriation to operate and maintain the East Kauai Irrigation System.

Your Committee received written comments in support of this measure from Russell S. Kokubun, Chairperson, Board of Agriculture; Derek S.K. Kawakami, Kauai County Council; Roy Oyama, President, Kauai County Farm Bureau; Jerry Ornellas, President, East Kauai Water Users' Cooperative; John R. Gordines, Hawaii Tropical Flowers and Foliage Association-Kauai Chapter; and the Hawaii Farm Bureau Federation.

Your Committee received written comments in opposition to the measure from one individual.

Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee finds that the twenty-two miles of ditch and the three reservoirs that comprise the East Kauai Irrigation System are critical for a number of reasons. This system provides water for agricultural crops in Kapaa, horticulture in Fern Grotto, and many recreational activities that center around its reservoirs.



The East Kauai Water Users' Cooperative has not been issued an appropriation in the past two years. This appropriation will help the Cooperative to continue to operate and maintain the East Kauai Irrigation System, ensuring its users have sufficient water for their various needs.

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 facilitate further discussion on the measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1209, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1209, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 699 (Majority) Ways and Means on S.B. No. 1186**

The purpose and intent of this measure is to realize transient accommodations tax revenues from transient accommodations that are furnished on a complimentary or gratuitous basis, or otherwise at no charge.

This measure also limits the dollar amount of transient accommodations tax revenues transferred to the tourism special fund and to the counties until July 1, 2015.

Your Committee received comments in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee received comments in opposition to this measure from the City and County of Honolulu; Keith Vieira, Senior Vice President of Operations, Starwood Hotels and Resorts, Hawaii and French Polynesia; and one individual.

Your Committee received comments on this measure from Mike McCartney, President and Chief Executive Officer, Hawaii Tourism Authority; Bernard P. Carvalho, Jr., Mayor, County of Kauai; and the Tax Foundation of Hawaii.

Your Committee finds that the revenues generated from application of the transient accommodations tax to transient accommodations that are furnished on a complimentary or gratuitous basis, or otherwise at no charge, would be used to fund important projects, including protecting the environment, improving public facilities impacted by visitors, and advancing Hawaiian culture and the arts.

Your Committee has amended this measure by:

- (1) Changing all dollar amounts to unspecified sums;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 1186, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1186, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, none.

**SCRep. 700 Ways and Means on S.B. No. 1174**

The purpose and intent of this measure is to facilitate the establishment of a needs-based facilities funding formula for charter schools by:

- (1) Re-establishing the Charter Schools Funding Task Force created by Senate Concurrent Resolution No. 108, S.D. 2 (2010), to specifically develop a needs-based facilities funding formula or process for charter schools; and
- (2) Pending the development of a needs-based facilities funding formula, requiring Charter School Administrative Office budget requests for needs-based facilities funding to be accompanied by a detailed explanation as to the formula used and the funding request breakdown by school.

Your Committee received comments in support of this measure from Steve Hirakami, Director, Hawaii Academy of Arts and Science PCS; Megan McCorrison, Executive Director, Ho'okako'o Corporation; and the Office of Hawaiian Affairs.

Your Committee finds that determining an equitable allocation of charter school facilities funding is a critical issue and that the establishment of a funding formula is still a work in progress. This measure provides for the development of this formula while, in the meantime, requiring detailed justification of charter school budget requests for needs-based facilities funding.

Your Committee has amended this measure by:

- (1) Inserting provisions that:
  - (A) Clarify that charter schools that have their charters revoked or their reauthorization denied may appeal to the Board of Education for a final decision;

- (B) Require charter schools and their local school boards to develop internal policies and procedures consistent with ethical standards of conduct, pursuant to chapter 84, Hawaii Revised Statutes;
- (C) Change the frequency of the Charter School Review Panel's multi-year evaluation of each charter school, to every six years, rather than five years under current law, after the first evaluation; and
- (D) Create a Task Force on Charter School Governance, Accountability, and Authority to:
  - (i) Develop legislation or administrative rules that clearly and definitively designate the governance structure and authority between and among the key charter school organizations, the Department of Education, the Board of Education, and the Governor;
  - (ii) Identify how the charter school structure relates to the State Education Agency and the Local Education Agency; and
  - (iii) Submit a report on its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012;
- (2) Changing the effective date to July 1, 2050, to encourage 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 S.B. No. 1174, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1174, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Fukunaga).

**SCRep. 701 Ways and Means on S.B. No. 1145**

The purpose and intent of this measure is to move the State closer to its goal of reducing dependence on imported foods by implementing "food sustainability standards" requiring a certain percentage of all food sold for consumption to be grown within the State, with benchmarks set for 2020, 2030, and 2040.

Your Committee received written comments in support of this measure from Russell S. Kokubun, Chairperson, Board of Agriculture; Angela Kaaihue, Waimalu Valley Ranch; Sierra Club, Hawaii Chapter; and Alani Apio.

Your Committee finds that there are multiple benefits to increasing the availability of locally produced food, including fresher produce with higher nutritional value, a decreased reliance on imported foods, and local economic growth. Establishing measurable standards for the amount of food that must be grown in the State will bring Hawaii closer to its goal of self-sufficiency and sustainability.

Your Committee has amended this measure by:

- (1) Changing the amount of net food sales that must be grown within the State to unspecified percentages; 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 S.B. No. 1145, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1145, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 702 Ways and Means on S.B. No. 1142**

The purpose and intent of this measure is to encourage good agricultural practices, including the safe production, distribution, and consumer handling of food, by:

- (1) Establishing a food safety and security program within the Department of Agriculture;
- (2) Making an appropriation to the Department of Agriculture for the food safety and security program; and
- (3) Providing a grant pursuant to chapter 42F, Hawaii Revised Statutes, to 4Ag Hawaii.

Your Committee received written comments in support of this measure from Russell S. Kokubun, Chairperson, Board of Agriculture.

Your Committee finds that good agricultural practices result in safe products and eliminate the potential for product contamination. Throughout the world, farmers are adopting recognized standards for human hygiene, animals and their manures, water quality for irrigation and produce rinse, and agricultural pesticides, among other things. Locally, the Department of Agriculture can support the growth of the agriculture industry by providing training, certification, support, and assistance on food safety and security issues.

Your Committee has amended this measure by:

- (1) Deleting the grant to the 4Ag Hawaii nonprofit corporation to expand its outreach and electronic educational initiatives, and the related purpose section;
- (2) Deleting Part I and Part II designations;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and

- (4) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1142, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 703 (Majority) Ways and Means on S.B. No. 1073**

The purpose and intent of this measure is to increase the delivery of legal services to low- and moderate-income residents by increasing the amount of the surcharges for indigent legal fees.

Your Committee received written comments in support of this measure from Aviam Soifer, Dean and Professor, William S. Richardson School of Law; N. Kaliki Siu, President, Hawaii Paralegal Association; Tracey S. Wiltgen, Executive Director, The Mediation Center of the Pacific, Inc.; L. Dew Kaneshiro, Interim Director, Volunteer Legal Services Hawaii; American Civil Liberties Union of Hawaii; Shannon L. Wack, Delivery of Legal Services to the Public Committee, Hawaii State Bar Association; Nanci Kreidman, M.A., Domestic Violence Action Center; Robert J. LeClair, Executive Director, Hawaii Justice Foundation; Louis Erteschik, Staff Attorney, Hawaii Disability Rights Center; Jill M. Hasegawa, Esq., Access to Justice Commission; George Zweibel, Law Office of George J. Zweibel; James H. Pietsch; Dee Dee Letts, Board Member, Mediation Center of the Pacific; and two private individuals.

Your Committee received written comments in opposition to the measure from Allan Y. Okubo, Esq.

Your Committee received comments on this measure from Gary M. Slovin, Goodsill Anderson Quinn and Stifel; and M. Nalani Fujimori Kaina, Executive Director, Legal Aid Society of Hawaii.

Your Committee finds that four out of five low- and moderate-income residents in Hawaii do not have their legal needs met and that legal service providers are only able to assist one of every three people who contact them for assistance.

Your Committee notes that the surcharge that helps fund indigent legal services has not been increased since 1996. By increasing the surcharges for indigent legal services, this measure will help reduce the portion of low- and moderate-income residents whose legal needs are not being addressed.

Your Committee has amended this measure by making a technical, nonsubstantive amendment 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. 1073, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1073, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 704 Ways and Means on S.B. No. 1555**

The purpose and intent of this measure is to establish a method to make optimal use of public land for the economic, environmental, and social benefit of the people of Hawaii by establishing a public corporation to administer an appropriate and culturally-sensitive public land development program.

Your Committee received comments in opposition to this measure from twelve individuals.

Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; and one individual.

Your Committee finds that the State should make better use of public lands by creating recreation and leisure areas, as well as revenue-generating opportunities to help maintain existing state recreation areas, including small boat harbors and associated facilities. To this end, your Committee further finds that this measure would rehabilitate the Ala Wai and Keehi Boat Harbors by imposing fees and directing the Department of Land and Natural Resources to enter into public-private partnerships to develop the Ala Wai Boat Harbor. Your Committee also finds that public-private partnerships are an effective way to provide an opportunity for interested stakeholders to benefit the public by contributing to the upkeep of public facilities.

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 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. 1555, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1555, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 705 Ways and Means on S.B. No. 1549**

The purpose and intent of this measure is to fund repairs at the Ala Wai and Keehi Boat Harbors by:

- (1) Authorizing issuance of commercial use permits;
- (2) Establishing a process to impose mooring fees; and
- (3) Directing the Department of Land and Natural Resources to enter into a public-private partnership to lease and develop certain lands at the Ala Wai Boat Harbor.

Your Committee received comments in support of this measure from William J. Aila, Jr. Chairperson, Department of Land and Natural Resources.

Your Committee received comments in opposition to this measure from thirty-one individuals.

Your Committee finds that the State lacks sufficient funds to provide the necessary repairs and maintenance of the Ala Wai and Keehi Boat Harbors. Your Committee further finds that the issuance of a limited number of commercial use permits for vessels operating at Ala Wai and Keehi Boat Harbors would generate the desperately needed revenues while keeping the harbor available for recreational purposes. However, your Committee recognizes that legitimate boating safety concerns exist and that there is a need for further discussion.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 1549, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1549, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 706      Ways and Means on S.B. No. 882**

The purpose and intent of this measure is to develop a plan to establish and fund a memorial honoring the veterans from Hawaii who served in recent Middle Eastern combat conflicts, beginning with the Persian Gulf War.

Your Committee finds that the State has previously built a Korean and Vietnam War Memorial on Oahu honoring the sacrifices and contributions of veterans from Hawaii who fought in those wars. It is only fitting that the State honors the many veterans who have made sacrifices and contributions in recent conflicts in the Middle East: the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom (renamed Operation New Dawn), the War in Afghanistan (or Operation Enduring Freedom), and other combat conflicts.

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, 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. 882, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 882, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Tokuda).

**SCRep. 707      (Majority) Ways and Means on S.B. No. 779**

The purpose and intent of this measure is to authorize an agency procurement officer to use a design-build method for procuring construction contracts if the cost of preparing a proposal is high considering the size, estimated price, or complexity of the project. The measure also provides for the pre-qualification of offerors and the payment of a conceptual design fee to unsuccessful offerors.

Comments in support of this measure were submitted by Aaron S. Fujioka, Administrator, State Procurement Office; Hawaii Procurement Institute; and American Institute of Architects.

Comments on this measure were submitted by Bruce A. Coppa, Comptroller, Department of Accounting and General Services.

Your Committee finds that the use of a two-step design-build procurement process for complex infrastructure construction contracts will save developers time and money in preparing their proposals and will provide for the selection of the most qualified offeror to be awarded the contract. Your Committee further finds that this selection process, along with the payment of a conceptual design fee to unsuccessful offerors, will encourage smaller, locally based, design and construction firms to bid on public construction contracts.

Your Committee has amended this measure by:

- (1) Clarifying that during the second phase of the procurement process, a request for proposals will be issued only to the pre-qualified offerors selected for the short list;
- (2) Clarifying that a conceptual design fee will be paid only to the pre-qualified shortlisted offerors that were not awarded the contract;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, 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. 779, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 779, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Chun Oakland, Dela Cruz, English, Kouchi, Tokuda, Wakai). Noes, 3 (Kim, Ryan, Slom). Excused, 1 (Kidani).

**SCRep. 708 Ways and Means on S.B. No. 655**

The purpose and intent 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.

Your Committee received testimony in support of this measure from Gary T. Kurokawa, Administrator, Real Property Assessment Division, City and County of Honolulu.

Your Committee finds that requiring 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 will enable the counties to promptly track 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 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. 655, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 655, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, Tokuda).

**SCRep. 709 Ways and Means on S.B. No. 284**

The purpose and intent of this measure is to support programs that help inmates successfully transition back into the community by requiring the Department of Public Safety to establish a Hawaiian cultural restoration program that allows non-violent inmates to participate in work opportunities dedicated to preserving and restoring historic Hawaiian sites designated by the Office of Hawaiian Affairs.

Your Committee received written comments in support of this measure from Andy Botts, National Association of Reformed Criminals. Written comments on this measure were received from Richard W. Stacy, Deputy Attorney General, Department of the Attorney General; and the Office of Hawaiian Affairs.

Your Committee finds that programs for incarcerated individuals can greatly assist their successful rehabilitation and reintegration into the community. By incorporating cultural learning, these programs have the added benefit of spreading historic knowledge and cultural values that can instill pride and a sense of belonging in an individual's community.

Your Committee has amended this measure by:

- (1) Requiring the Department of Public Safety to adopt rules defining "non-violent inmates" for purposes of this measure and to set forth criteria for the selection of inmates for the pilot program;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 284, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 284, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Kidani, Kouchi).

**SCRep. 710 Ways and Means on S.B. No. 166**

The purpose and intent of this measure is to improve the operation of clean and sober homes and halfway houses in the State by establishing a task force to determine how the homes may be held accountable for following all applicable laws, without requiring state licensing.

Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that clean and sober homes and halfway houses are critical to the successful rehabilitation of persons who have recently been released from incarceration and persons who have substance abuse issues. Appropriate procedures would ensure the effective operation of the facilities and improved relations with residents who reside near the facilities.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion of the issues; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 166, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 166, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 711 Ways and Means on S.B. No. 141**

The purpose and intent of this measure is to expand the authority of counties to use land-based financing to support operating costs attributable to developments in improvement districts and community facilities districts.

Your Committee received written comments in support of this measure from David Z. Arakawa, Land Use Research Foundation of Hawaii.

Your Committee finds that land-secured financing provides an opportunity for the counties to support development-related operating costs, such as police, fire protection, and maintenance services.

Your Committee has amended this measure by:

- (1) Clarifying that the counties are authorized to use improvement district assessments and community facilities district special tax assessments for both new and existing developments in improvement districts and community facilities districts, respectively;
- (2) Changing the percentages of assessments or tax revenues that a county may apply to administrative expenses to an unspecified percentage;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 141, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 141, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kidani).

**SCRep. 712 Ways and Means on S.B. No. 112**

The purpose and intent of this measure is to enhance Hawaii's appeal as a tourist destination by appropriating funds for the State to apply for a spaceport license from the Federal Aviation Administration.

Your Committee finds that tourism is the primary economic driver in Hawaii and that new technology, increased visitor sophistication, and greater competition from other tourism markets require the expansion of Hawaii's tourism industry into new niche markets, such as space tourism. Hawaii's application for a spaceport license would provide the State an opportunity to tap into a potential billion-dollar global industry that could significantly increase state revenues, create jobs, and promote economic development.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 112, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 112, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Kidani, Tokuda).

**SCRep. 713 Ways and Means on S.B. No. 2**

The purpose and intent of this measure is to facilitate the establishment of a comprehensive information system for inventorying and maintaining information about the lands of the public land trust described in section 5(f) of the Admission Act and article XII, section 4 of the Hawaii State Constitution.

Your Committee received comments on this measure from William J. Aila, Chairperson, Board of Land and Natural Resources; and the Office of Hawaiian Affairs.

Your Committee finds that having an accurate inventory of public lands and their disposition is crucial to the successful management of the public land trust described in section 5(f) of the Admission Act and article XII, section 4 of the Hawaii State Constitution.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified sum;
- (2) Clarifying the dates by which reports must be made to the Department of Land and Natural Resources and the Legislature regarding land title and disposition;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 714 Ways and Means on S.B. No. 981**

The purpose and intent of this measure is to protect native Hawaiian and Hawaiian traditional customary rights by:

- (1) Requiring members of certain state councils, boards, and commissions to undergo training conducted by the Office of Hawaiian Affairs on issues related to native Hawaiian rights; and
- (2) Requiring the Office of Hawaiian Affairs to establish, design, and facilitate a training course related to native Hawaiian and Hawaiian traditional and customary rights.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs. Your Committee received written comments in opposition to the measure from the Hawaii Farm Bureau Federation. Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee finds that not all individuals selected to serve on certain councils, boards, and commissions possess knowledge of the unique rights and responsibilities of the Hawaiian community. It is important that these members learn about native Hawaiian issues because they administer public trust resources and programs that directly impact native Hawaiian traditional and customary rights, natural resource protection and access rights, and the public trust.

Your Committee recommends that in developing the curriculum for the training course, the Office of Hawaiian Affairs utilize resources within the University of Hawaii system to the extent possible. Furthermore, with regard to funding, your Committee notes that the Office of Hawaiian Affairs has sufficient resources to fund the implementation of the training course without requesting additional funding.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 981, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 981, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 715 Ways and Means on S.B. No. 958**

The purpose and intent of this measure is to assist the family court in making informed decisions in child custody cases by:

- (1) Establishing a registry of child custody evaluators or experts; and
- (2) Allowing the Board of Family Court Judges to develop standards and procedures for child custody evaluators.

Your Committee received written comments in support of this measure from nine individuals.

Your Committee received comments on the measure from Glennard Fong, Chief Court Administrator, First Circuit, The Judiciary, State of Hawaii.

Your Committee finds that child custody evaluators can play a valuable role in family court by investigating and reporting on issues related to child custody cases. Developing standards and procedures for evaluators and creating a registry of qualified evaluators will enable parties to select an appropriate evaluator and facilitate informed decision-making by the court.

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. 958, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 958, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 716 Ways and Means on S.B. No. 797**

The purpose and intent of this measure is to improve patient care throughout the State through the use of health information technology. Specifically, this measure appropriates funds to the Department of Health to participate in federal matching grant programs associated with the development of health information technologies.

Your Committee finds that health providers, insurers, governments, and consumers rely on health information technology to provide an overall framework for the comprehensive management and secure exchange of health information. The use of this type of

technology helps to improve health care quality, prevent medical errors, decrease paperwork, and improve patient care. This measure helps the State to obtain federal funds through matching grant programs for the development of health information technology systems.

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 S.B. No. 797, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 797, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 717      Ways and Means on S.B. No. 582**

The purpose and intent of this measure is to establish procedures for counties to share water in times of emergency by establishing the mutual aid agreement of assistance.

Your Committee finds that each county is geographically isolated, and in times of emergency, should be able to depend on the other counties to supplement water needs. The creation of a statewide mutual aid system will establish procedures for the sharing of water during times of emergency and provide integrated mutual aid response capability between counties in times of disaster.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 582, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 582, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Kidani, Kouchi).

**SCRep. 718      (Majority) Ways and Means on S.B. No. 318**

The purpose and intent of this measure is to appropriate funds to the Department of Business, Economic Development, and Tourism to update the 2008 report "Innovation and Technology in Hawaii: An Economic & Workforce Profile."

Your Committee conducted a public decision making on a proposed draft of this measure, which encourages business development in Hawaii through the growth of the film industry, by providing enhanced incentives to attract more film and television productions to Hawaii, thereby generating increased tax revenues.

More specifically, the proposed draft:

- (1) Amends the motion picture, digital media, and film production tax credits to increase the tax credits to unspecified percentages and dollar amounts;
- (2) Provides additional nonrefundable tax credits for qualified media infrastructure projects;
- (3) Establishes a qualified local crew training program rebate equal to an unspecified percentage of the hourly wages of each resident participant in the program;
- (4) Provides an additional tax credit for qualified special or visual effects and animation production costs; and
- (5) Raises the tax credit caps to unspecified amounts.

Your Committee received comments in support of the proposed draft from President William Jefferson Clinton; the Hawaii Carpenters Union; Ryan Kavanaugh, CEO, Relativity Media, LLC; and three individuals. Your Committee received comments on the proposed draft from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism; and the Tax Foundation of Hawaii.

Your Committee finds that business development in the State would benefit from an expansion of the local film and television industry. Your Committee believes that the ideas and programs set forth in the proposed draft have the potential to foster such expansion and stimulate the state economy.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 318, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 318, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 719      Ways and Means on S.B. No. 289**

The purpose and intent of this measure is to support families by:

- (1) Requiring the Families for R.E.A.L. Program (Program) to develop a plan to:



- (A) Cover twenty-five per cent of its costs through fees, grants, private donations, and other sources, beginning on July 1, 2013; and
- (B) Transition into a greater statewide role to provide training resources for parents of young children, school personnel, and families;
- (2) Requiring the Program to report its plan to the Legislature and the Governor prior to the 2012 Regular Session; and
- (3) Appropriating funds for the Program.

Your Committee received testimony in support of this measure from Dee Jay Mailer, Chief Executive Officer of Kamehameha Schools & Vice Chair of the Early Learning Council; and Dr. Robert Peters, Chair, Early Learning Council.

Your Committee received comments on this measure from Linda Elento.

Your Committee finds that the Program is a school-based teacher training and child development program that provides resources for families and parents of young children. This measure seeks to ensure the continued viability of the program through the appropriation of funds and by requiring the development of alternate sources of program revenue.

Your Committee has amended this measure by:

- (1) Changing the percentages relating to the amount of program costs that the Families for R.E.A.L. Program must cover to unspecified percentages;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 289, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 289, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 720      Ways and Means on S.B. No. 249**

The purpose and intent of this measure is to appropriate moneys to the Department of Agriculture to:

- (1) Purchase a slaughterhouse within the Campbell Industrial Park and any requisite equipment; and
- (2) Fund construction, renovation, and improvement projects at the slaughterhouse.

Your Committee received comments in support of this measure from Russell S. Kokubun, Director, Department of Agriculture; and the Hawaii Farm Bureau Federation.

Your Committee finds that most cattle raised in Hawaii are shipped to the mainland for finishing and slaughter. Appropriating funds for the purchase and construction of a local slaughterhouse will maintain the viability of the State's beef industry and increase Hawaii's food self-sufficiency and overall sustainability.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 249, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 249, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (English, Ryan, Slom). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 721      (Majority) Ways and Means on S.B. No. 240**

The purpose and intent of this measure is to improve healthcare in the State by making the physician workforce assessment fee permanent and requiring a portion of the fee to be used to support physician workforce assessment and planning for rural and medically underserved areas.

Comments in support of this measure were submitted by Dan Domizio PA, MPH, Clinical Programs Director and Chief Executive Officer, Puna Community Medical Center; Kelley Withy, MD, PhD; and David Sakamoto, MD, MBA.

Comments in opposition to this measure were submitted by Constance Cabral, Executive Officer, Hawaii Medical Board.

Your Committee finds that areas of the State, especially rural areas, are medically underserved and that additional funding for medical workforce assessment and planning is necessary to ensure that medical services are available to all areas of the State.

Your Committee has amended this measure to correctly reflect the current version of Act 18, Special Session Laws of Hawaii 2009, and 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. 240, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 240, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 722 (Majority) Ways and Means on S.B. No. 239**

The purpose and intent of this measure is to continue to partially fund the University of Hawaii John A. Burns School of Medicine with appropriations from the Hawaii Tobacco Settlement Special Fund at a decreasing amount over the next four years.

Your Committee received comments in support of this measure from Hawaii Medical Association; Donald B. Weisman, Hawaii Advocacy Director; American Heart/Stroke Association; and Lowell K.Y. Chun-Hoon. Comments in opposition to this measure were received from Trisha Y. Nakamura, Esq., Policy and Advocacy Director, Coalition for a Tobacco-Free Hawaii. Your Committee received comments on this measure from Sharlene Tsuda, Vice President, Community Development, The Queen's Medical Center.

Your Committee finds that reconsideration of all allocations and appropriations of moneys from the Hawaii Tobacco Settlement Special Fund is prudent.

Your Committee has amended this measure by:

- (1) Changing all percentage reductions and increases of allocations from the tobacco settlement moneys to unspecified percentage amounts;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 239, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 239, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 2 (Chun Oakland, Slom). Excused, 1 (Kouchi).

**SCRep. 723 (Majority) Ways and Means on S.B. No. 1355**

The purpose and intent of this measure is to:

- (1) Adopt amendments to state tax laws to allow the State to participate in the national Streamlined Sales and Use Tax Agreement, to take effect when the State becomes a party to the Streamlined Sales and Use Tax Agreement; and
- (2) Create a committee to oversee the Department of Taxation's implementation and administration of and compliance with the Streamlined Sales and Use Tax Agreement.

Your Committee received comments in support of this measure from Craig Hirai, Hawaii Association of Realtors. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Streamlined Sales Tax Project is a working group of revenue officials and experts with the stated purpose of bringing simplicity and uniformity to sales taxes in the United States, in order to allow the collection of interstate sales taxes without placing burdens on interstate commerce. Your Committee also finds that participation in the Streamlined Sales and Use Tax Agreement has the potential to achieve better tax definitions and uniformity between participating states, as well as improved tax compliance by interstate vendors.

Your Committee has amended this measure by:

- (1) Changing the percentages of all amendments to state tax laws to blank amounts;
- (2) Changing the effective date to July 1, 2050; 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. 1355, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1355, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 2 (English, Kidani).

**SCRep. 724 Ways and Means on S.B. No. 420**

The purpose and intent of this measure is to improve the availability and delivery of healthcare in the State by appropriating funds to expand certain direct health care services to qualified individuals and to finance projects at designated health centers throughout the State and promoting federally qualified health centers.

Your Committee received comments in support of this measure from the Hawai'i Primary Care Association.

Your Committee received comments on this measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that federally qualified health centers serve uninsured, low-income patient populations by providing timely, effective care and care management that reduces unnecessary emergency room visits while saving the State money. The Committee further recognizes the need to develop infrastructure and facilities for community health centers to meet the demand for the service.

Your Committee has amended this measure by:

- (1) Changing all appropriation amounts to unspecified sums;
- (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 S.B. No. 420, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 420, S.D. 3.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kim, Slom).

**SCRep. 725 Ways and Means on S.B. No. 1106**

The purpose and intent of this measure is to reduce the costs of health care expenditures associated with emergency care and other hospital-based treatments for avoidable chronic diseases by creating and appropriating funds for a Workplace Wellness Pilot Program.

Your Committee received written comments in support of this measure from George S. Massengale, JD, American Cancer Society; Farmers Insurance Hawaii; and Jason Ledford, M.S.W. Candidate, University of Hawaii.

Your Committee finds that in order to bring Hawaii into mandatory compliance with federal health reform legislation requirements by 2014, the Legislature should authorize and evaluate health and wellness alternatives that reduce the incidence of chronic disease, support employees in maintaining healthier lifestyles, and reduce the costs of health care expenditures for avoidable chronic diseases.

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 S.B. No. 1106, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1106, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kim, Slom).

**SCRep. 726 (Majority) Ways and Means on S.B. No. 1066**

The purpose and intent of this measure is to transfer the employer-union health benefits trust fund ("EUTF") to the Department of Human Resources Development and to change the size, composition, and appointment process of the board of trustees of the trust fund.

Furthermore, this measure also authorizes the board of trustees to procure benefit plan carriers, without regard to the public procurement process, and to retain an attorney who possesses Employee Retirement and Income Security Act employee benefits experience and who is independent of the Attorney General.

Your Committee received comments in opposition to this measure from Kalbert K. Young, Director, Department of Budget and Finance; and the Department of the Attorney General.

Your Committee received comments on this measure from Aaron S. Fujioka, Administrator, State Procurement Office.

Your Committee finds that there is widespread agreement among interested stakeholders that the EUTF is not operating as it was originally intended to operate and instead has created serious problems for state and county employees and their public employers. This measure contains several significant reforms that will eliminate many of the problems that currently make the EUTF ineffective and expensive.

Your Committee has amended this measure by making clarifying amendments as well as 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. 1066, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1066, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 727 Ways and Means on S.B. No. 113**

The purpose and intent of this measure is to establish a three-year pilot program by which medical cannabis research involving local qualifying patients can be conducted under the protection of state law.

Your Committee received comments in support of this measure from Jeanne Ohta, Executive Director, The Drug Policy Forum of Hawaii; Pamela Lichty, MPH, The Drug Policy Action Group; and thirty individuals. Your Committee received comments on this measure from Jodie Maesaka-Hirata, Interim Director, Department of Public Safety.

Your Committee finds that the use of medical cannabis warrants further research. Your Committee also finds that this measure authorizes formal peer-reviewed research to investigate the chemical composition and therapeutic effects of medical cannabis in a controlled pre-clinical and clinical laboratory setting. Your Committee further finds that it is important for research to be conducted on the unique strains of cannabis that have been developed in Hawaii.

Your Committee has amended this measure by:

- (1) Changing the dollar amount of the fee the Department of Public Safety may charge to cover the costs of overseeing the licensing process during the pilot research program from \$3,000 to an unspecified amount;
- (2) Clarifying that medical cannabis research facilities may be inspected by departmental staff authorized by the Director of Public Safety;
- (3) Clarifying a statutory citation;
- (4) Specifying that each primary caregiver under the pilot research program shall be responsible for the care of no more than one hundred qualifying patients at any given time;
- (5) Changing a reference to the term "patients" to "qualifying patients";
- (6) Changing a reference to the term "pilot program" to "pilot research program";
- (7) Changing the date that the pilot research program ceases operations from December 31, 2014, to December 31, 2015;
- (8) Changing the sunset date of the measure to December 31, 2015; and
- (9) 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. 113, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 113, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 728 (Majority) Ways and Means on S.B. No. 1277**

The purpose and intent of this measure is to strengthen the laws governing legal service plans.

Specifically, this measure requires legal service plans to obtain a certificate of authority from the Insurance Commissioner prior to conducting business in the State.

Your Committee received comments in support of this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs.

Your Committee finds that legal service plans have a low rate of compliance with Hawaii law. The Insurance Commissioner continues to receive complaints from consumers about prepaid legal service plans. This measure will enhance the Commissioner's ability to regulate these plans and to enforce the laws governing these plans.

Your Committee has amended this measure by:

- (1) Changing the new bond and fee amounts to unspecified sums;
- (2) Changing the effective date to July 1, 2050 in order to facilitate further discussion on the matter; 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. 1277, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1277, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kidani, Kouchi).

**SCRep. 729 Ways and Means on S.B. No. 1341**

The purpose and intent of this measure is to amend the retirement benefits for state and county employees who become members of the Employees' Retirement System (ERS) after June 30, 2012.

Your Committee finds that this measure addresses the unfunded liability of the ERS. Your Committee also finds that this measure will affect only new ERS members by reducing the benefits that they would accrue, as compared to those of current ERS members. Your Committee believes that the date to which this measure applies should be set as early as possible to prevent a sudden rush of hiring.

Your Committee has amended this measure by:

- (1) Changing the date of hire of public employees to which this measure applies to an unspecified date;
- (2) Adding provisions to retain the "retire at any age" benefit for judges who qualify for the benefit;
- (3) Clarifying that, for the purposes of calculating the retirement allowance for a member who first earned credited service as a judge after the date of hire for which this measure applies, the applicable age to consider is fifty-five, rather than fifty;

- (4) Clarifying the average final compensation calculation formula for a member who has credited service as an elected officer or a legislative officer as well as credited service as a judge and who became an ERS member after the date of hire for which this measure applies by stating that, for the purpose of calculating the member's AFC as a judge, the average compensation of the member's highest five years of service as a judge, as opposed to the highest three years, will be used;
- (5) Correcting various citations; 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. 1341, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1341, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 730      Ways and Means on S.B. No. 1130**

The purpose and intent of this measure is to preserve the Hawaiian language and culture by requiring that state and county documents, letterheads, symbols, and emblems, when newly created, replaced, or reprinted, contain the accurate, appropriate, and authentic Hawaiian names and language.

Your Committee received written comments in support of this measure from Melody Kapilialoha MacKenzie, Esq., Director, Ka Huli Ao Center for Excellence in Native Hawaiian Law; and nineteen interested individuals. Your Committee received written comments in opposition to this measure from Peter B. Carlisle, Mayor, City and County of Honolulu.

Your Committee finds that maintaining a living language is an integral component of preserving a culture. As such, the state constitution established Hawaiian as one of the State's official languages. Your Committee also finds that the proper use of Hawaiian macrons and glottal stops not only shows respect for the Hawaiian language, but also comports with the intent of the state constitution.

Your Committee has amended this measure by:

- (1) Clarifying that the requirement of proper Hawaiian spelling and punctuation on documents and letterheads includes macrons and glottal stops that punctuate the English word to which they relate; 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. 1130, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1130, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kim, Slom).

**SCRep. 731      (Majority) Ways and Means on S.B. No. 1078**

The purpose and intent of this measure is to specify that the benefits of the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF") are subject to negotiation between the public employer and the exclusive representative of a bargaining unit of public employees.

Furthermore, this measure gives the arbitration panel, rather than the Legislature, the duty to resolve public sector collective bargaining disputes over the benefits or the amounts of contributions.

Your Committee received comments in support of this measure from Randy Perreira, Executive Director, Hawaii Government Employees Association.

Your Committee received comments in opposition to this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that as presently organized, the EUTF is not providing affordable health care to public employees, especially for employees who need family coverage and who are at a lower pay range. Through mandatory negotiations over both premiums and benefits, the exclusive representatives of public employee collective bargaining units will be able to identify benefit features that can be reduced or restructured without eliminating key coverage areas. Another objective of negotiating over benefits is to promote preventive care while discouraging care that is not needed. Negotiations will create greater incentives to implement wellness programs, which can help control plan costs over the long-term.

Your Committee has amended this measure by:

- (1) Adding references to group life insurance benefits plans that are also provided by the EUTF; 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. 1078, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1078, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 732 (Majority) Ways and Means on S.B. No. 775**

The purpose and intent of this measure is to:

- (1) Continue the work of the Construction Site Inspection Task Force, established pursuant to Act 121, Session Laws of Hawaii 2010, for one year;
- (2) Direct the task force to focus on issues relating to contractor license enforcement; and
- (3) Appropriate moneys from the compliance resolution fund to support the activities of the task force.

Your Committee received written comments in support of this measure from Dwight Y. Takamine, Interim Director, Department of Labor and Industrial Relations.

Your Committee received written comments in opposition to this measure from Jo Ann Uchida, Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office.

Your Committee finds that the Construction Site Inspection Task Force was established pursuant to Act 121, Session Laws of Hawaii 2010, to analyze the feasibility and potential complications of implementing a task force to investigate and inspect construction sites for unlicensed contractors, undocumented workers, and workplace safety violations. Your Committee also finds that unlicensed construction activity undermines the State's regulatory system and puts contractors who follow the law at a disadvantage. Your Committee further finds that continuing the work of the task force will enhance the ability of all affected departments to enforce existing laws and deter unlicensed activity.

Your Committee has amended this measure by:

- (1) Changing the dollar amounts of all fees and surcharges collected to offset the work of the task force to unspecified amounts;
- (2) Changing the term "centralized debt collection system" to "centralized penalty collection system" to more clearly reflect the scope of the task force's analysis;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 775, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 775, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 733 (Majority) Ways and Means on S.B. No. 122**

The purpose and intent of this measure is to require coverage of services provided by naturopathic physicians by health insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations.

Your Committee received testimony in support of this measure from one hundred sixty-two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Medical Association; Kenneth T. Nakamura, American Academy of Pediatrics, Hawaii Chapter; Hawaii Association of Health Plans; and fifteen individuals.

Your Committee finds that naturopathic physicians provide a valuable service to their patients and are an important component of comprehensive health care. Your Committee notes that services of a naturopathic physician are currently included in workers' compensation benefits. Given the State's shortage of qualified health care providers, naturopathic physicians can play a role in ensuring that more people in the State have access to quality health care.

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 S.B. No. 122, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 122, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Slom). Excused, none.

**SCRep. 734 (Majority) Ways and Means on S.B. No. 725**

The purpose and intent of this measure is to apply the solid waste management surcharge to all solid waste disposal facilities that receive solid waste for ultimate disposal through landfilling, incineration, or through a waste-to-energy facility, whether the waste is disposed of in-state or transferred out-of-state.

Your Committee received written comments in support of this measure from Loretta J. Fuddy, A.C.S.W., M.P.H., Acting Director, Department of Health.

Your Committee received written comments in opposition to the measure from Albert Shigemura, President, PVT Land Company; and the General Contractors Association.

Your Committee received comments on this measure from Gary M. Slovin on behalf of PVT Land Company.

Your Committee finds that with advancements in the field of waste management, Hawaii's solid waste is being disposed of both in-state and out-of-state. The Department of Health is responsible for processing permits for out-of-state waste disposal, but is unable to collect surcharges on that waste. This measure enables the State to apply the solid waste disposal surcharge to waste being transferred out of state for disposal, helping to maintain sustainable funding levels for the State's solid waste program.

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 S.B. No. 725, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 725, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 735      Ways and Means on S.B. No. 1272**

The purpose and intent of this measure is to adopt the National Association of Insurance Commissioners' Risk-Based Capital for Health Organizations Model Act.

Your Committee received comments in support of this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; and Hawaii Medical Service Association.

Your Committee finds that the model act applies consistent regulatory treatment to health maintenance organizations, mutual benefit societies, fraternal benefit societies, managed care plans, and similar risk-bearing entities. Furthermore, adoption of the model laws and regulations of the National Association of Insurance Commissioners is essential for the Insurance Division to retain its accreditation by the National Association of Insurance Commissioners.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, in order 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. 1272, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1272, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Kidani, Kouchi).

**SCRep. 736      Ways and Means on S.B. No. 1357**

The purpose and intent of this measure is to require the Department of Public Safety to develop a master plan to return Hawaii inmates from mainland correctional facilities.

More specifically, the master plan is to include a time table for its implementation and address issues such as increasing prison space and providing interventional, educational, and rehabilitation programs in the State.

Your Committee received written comments in support of this measure from Jeanne Ohta, Executive Director, The Drug Policy Forum of Hawaii; Kat Brady, Coordinator, Community Alliance on Prisons; Pamela Lichty, President, The Drug Policy Action Group; and five concerned individuals.

Your Committee finds that bringing inmates from Hawaii back from mainland facilities is in the best interests of the inmates, the inmates' families, and the State as a whole. Your Committee believes, however, that the provision of intervention and rehabilitation programs and adequate prison space are necessary to successfully accomplish this objective.

Your Committee has amended this measure by:

- (1) Deleting the specific deadline by which the Department of Public Safety is required to develop a master plan, to provide consistency with the Department's deadline for submittal of the plan to the Legislature; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1357, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1357, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 737      Ways and Means on S.B. No. 813**

The purpose and intent of this measure is to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents.

Specifically, this measure:

- (1) Makes the Interstate Compact on Educational Opportunity for Military Children permanent;
- (2) Deletes provisions relating to furnishing of unofficial education records;

- (3) Deletes a provision allowing state schools to place military students in courses on a space-available basis; and
- (4) Clarifies military representation on the State Council on Educational Opportunity for Military Children within the Board of Education.

Your Committee received comments on this measure from Laurie Crehan, Ed.D., Quality of Life Regional Liaison, Department of Defense State Liaison Office.

Your Committee finds that it is especially difficult for military children to continually adjust to new educational environments. Frequent moves and deployment of family members create unique challenges for these children. This measure will help ease the strain on the children of military families and make educational transitions easier.

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 S.B. No. 813, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 813, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 738      Ways and Means on S.B. No. 1393**

The purpose and intent of this measure is to improve the agricultural industry by:

- (1) Allowing all dams and related reservoir areas designated as important agricultural lands to be eligible for inclusion in the total acreage calculation for important agricultural lands and to qualify for incentives;
- (2) Providing an income tax credit for dam or reservoir remediation and aquacultural facilities;
- (3) Providing aquacultural enterprises priority of access over leisure crafts and houseboats at all harbors and waterfront of the State; and
- (4) Providing a general excise tax exemption for qualified agricultural food processing facilities.

Your Committee received comments in support of this measure from Paul Oshiro; Alexander and Baldwin, Inc.; Hawaiian Commercial and Sugar Company; Kauai Coffee Company; and Michael Tresler, Senior Vice President, Grove Farm Company, Inc.

Your Committee received comments in opposition to this measure from Jesse K. Souki, Interim Director, Office of Planning, Department of Business, Economic Development, and Tourism.

Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Russell S. Kokubun, Chairperson, Department of Agriculture; Tax Foundation of Hawaii; Hawaii Farm Bureau Federation; and the Land Use Research Foundation of Hawaii.

Your Committee finds that this measure would support the State's agricultural industry by facilitating repairs of dams and reservoirs and encouraging sustainable food production.

Your Committee has amended this measure by:

- (1) Deleting section 5, which provided a general excise tax exemption to qualified agricultural food processing facilities;
- (2) Changing the amounts of the dam or reservoir remediation tax credit and the aquacultural facilities tax credit to unspecified percentages;
- (3) Renumbering sections of the bill and placing them in the order preferred under recommended drafting procedures;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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. 1393, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1393, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 739      Ways and Means on S.B. No. 1162**

The purpose and intent of this measure is to improve the safeguards afforded to persons whose personal information is compromised by a security breach of a government agency.

More specifically this measure:

- (1) Requires government agencies that maintain personal information systems to develop mandatory training programs for personnel who have access to disclosures of personal information;
- (2) Requires reports of security breaches to be submitted to the Information Privacy and Security Council;



- (3) Requires the Information Privacy and Security Council to coordinate the implementation of guidelines by government agencies, and makes the Comptroller or State Chief Information Officer the chair of the council; and
- (4) Appropriates moneys for the council, a specialist and coordinator positions in statewide network security, and security tools, maintenance, and licenses, including software and enhanced web applications.

Your Committee received comments in support of this measure from Christopher Stathis, Support Services Department Head, The Judiciary, State of Hawaii.

Your Committee received comments on this measure from Bruce A. Coppa, Comptroller, Department of Accounting and General Services; and Mihoko Ito, Consumer Data Industry Association.

Your Committee finds that recent high profile security breaches of government agencies have revealed a need to strengthen the safeguards related to maintenance of personal records. This measure will address many of the deficiencies in the current system.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1162, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1162, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Kahale, Kouchi).

**SCRep. 740 Ways and Means on S.B. No. 1559**

The purpose and intent of this measure is to establish additional incentives for landowners to preserve and maintain important agricultural lands.

Specifically, the measure expands the State's existing important agricultural lands program by:

- (1) Granting priority processing of a private entity's building permit application for a construction project for structures associated with important agricultural lands;
- (2) Exempting from county permit conditions unattached structures associated with important agricultural lands that do not have plumbing, heating, or electrical systems;
- (3) Requiring county general plans to accommodate the designation of important agricultural lands;
- (4) Exempting structures associated with important agricultural lands for determining and assessing the taxable value of real property;
- (5) Establishing preferential rates for the purchase of energy that is used or consumed for agricultural activities on important agricultural lands;
- (6) Authorizing insurers to provide preferential rates to owners or lessees of important agricultural lands;
- (7) Designating all important agricultural lands as an enterprise zone;
- (8) Granting tax credits and exemptions to qualified persons who engage in qualified agricultural activities in an enterprise zone;
- (9) Requiring the Department of Business, Economic Development, and Tourism to certify annually the applicability of certain tax credits and exemptions in an enterprise zone;
- (10) Reducing county infrastructure requirements for installation of improvements on important agricultural lands; and
- (11) Requiring the Department of Agriculture to review county permit processes relating to important agricultural lands.

Your Committee received testimony in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Paul Oshiro, Manager - Government Relations, Alexander and Baldwin, Inc; and the Hawaii Farm Bureau Federation. Your Committee received testimony in opposition to this measure from David K. Tanoue, Director, Department of Planning and Permitting, City and County of Honolulu. Your Committee received comments on this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; and the Tax Foundation of Hawaii.

Your Committee finds that Act 183, Session Laws of Hawaii 2005, created the standards, criteria, and processes for the identification and designation of important agricultural lands. Your Committee also finds that this measure provides additional incentives intended to support and encourage sustained, viable agricultural activity on important agricultural lands.

Your Committee has amended this measure by:

- (1) Deleting the definition of "structures associated with important agricultural lands";
- (2) Deleting provisions regarding tax incentives, enterprise zones, and reducing infrastructure requirements;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1559, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1559, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 741      Ways and Means on S.B. No. 125**

The purpose and intent of this measure is to assist persons with intellectual and developmental disabilities with the continuing education, evaluation, and services to obtain necessary employment skills.

Specifically, this measure:

- (1) Establishes an employment training and placement program for persons with intellectual and developmental disabilities;
- (2) Requires the Department of Human Services to work in conjunction with the Department of Education and the Department of Health in establishing the employment and placement program;
- (3) Requires the Department of Human Services to seek a Medicaid waiver for funding of the program; and
- (4) Makes an appropriation as matching state funding to federal funds for the employment training and placement program.

Your Committee received testimony in opposition to this measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that individuals with intellectual and developmental disabilities encounter many difficulties when attempting to enter the workforce. Matching federal funds would allow for much needed training and employment opportunities for those who are transitioning from formal education and waiver programs. Additionally, an employment training and placement program will develop more effective employment systems for persons with intellectual and developmental disabilities, improving their employability.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified sum; 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 S.B. No. 125, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 125, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, English, Fukunaga, Kim).

**SCRep. 742      Ways and Means on S.B. No. 175**

The purpose and intent of this measure is to transfer departmental jurisdiction of the Medical Use of Marijuana Program from the Department of Public Safety to the Department of Health.

Your Committee received testimony in support of this measure from Jeanne Ohta, Executive Director, The Drug Policy Forum of Hawaii; Pamela Lichty, MPH, President, The Drug Policy Action Group; Kat Brady, Coordinator, Community Alliance on Prisons; and forty-two individuals. Your Committee received testimony in opposition to this measure from Loretta J. Fuddy, A.C.S.W., M.P.H., Acting Director, Department of Health; and one individual. Your Committee received comments on this measure from Jodie Maesaka-Hirata, Interim Director, Department of Public Safety; and the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that the Medical Cannabis Working Group was convened in October 2009 to conduct a study and make recommendations to the Legislature to improve the State's Medical Use of Marijuana Program. Your Committee also finds that transferring oversight of the program from the Department of Public Safety to the Department of Health was among the working group's recommendations for immediate legislative action to improve the program. Your Committee further finds that this measure addresses that recommendation.

Your Committee has amended this measure by:

- (1) Clarifying that the registration and certification confirmation service maintained by the Department of Public Safety is temporary and intended only to facilitate the transfer of functions from the Department of Public Safety to the Department of Health;
- (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. 175, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 175, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 743 (Majority) Ways and Means on S.B. No. 233**

The purpose and intent of this measure is to deter smoking by imposing flat \$3.20 excise tax on tobacco products other than cigarettes, little cigars, or large cigars that is equivalent to the excise tax on packs of twenty cigarettes or little cigars. The measure also directs a portion of the excise tax collected to be expended by the Department of Health on tobacco prevention programs and services.

Comments in support of this measure were submitted by Donald Weisman, Hawaii Advocacy Director, American Heart/Stroke Association; George S. Massengale, JD, Director of Government Relations, American Cancer Society; Valerie Chang, Executive Director, Hawaii COPD Coalition; Trisha Nakamura, Esq., Policy and Advocacy Director, Coalition for a Tobacco Free Hawaii; Jackie Berry, Executive Director, Healthy Mothers Healthy Babies Coalition of Hawaii; Cara Sadira, CEO & Board Chair, Rising Up; Ron Fleck, M.S. CRC Vocational Consultant; Renee Schuetter, The Path Clinic; and five concerned individuals

Comments on this measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that this measure will, in effect, create a flat tax on tobacco products other than cigarettes and little cigars, which are already taxed. Your Committee further finds that taxing tobacco products will discourage smoking and, in turn, reduce smoking-related health conditions in Hawaii.

Your Committee further notes the concern of the Coalition for a Tobacco-Free Hawaii that the current tobacco tax structure should take into account variable quantities of cigars and tobacco products sold and tax those sales in proportion to the corresponding tax on cigarettes.

Accordingly, your Committee has amended this measure by:

- (1) Changing the amount of the excise tax on tobacco products other than large cigars to an unspecified amount;
- (2) Adding a new paragraph to section 245-3(a), Hawaii Revised Statutes, that establishes unspecified excise tax amounts on bulk purchases of tobacco products and small quantity purchases of these items that are in proportion to the corresponding tax on cigarettes;
- (3) Changing the amount of the excise tax collected to be used for tobacco prevention programs to an unspecified amount;
- (4) Expanding the scope of programs and services for which the Department of Health may expend the funds collected to include the tobacco dependence treatment services;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on 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. 233, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 233, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 744 Ways and Means on S.B. No. 595**

The purpose and intent of this measure is to allow an income tax credit for physicians who see a large number of patients insured by Medicaid that is equal to twenty-five per cent of a physician's annual malpractice insurance premium.

Your Committee received comments in support of this measure from the Hawaii Medical Association; and Dan Domizio, PA, MPH, Clinical Programs Director & CEO, Puna Community Medical Center.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that, due to the high cost of practicing medicine in Hawaii, of which medical malpractice insurance premiums are a significant part, many physicians choose to leave Hawaii to practice elsewhere. Other physicians choose not to see patients who are insured by Medicaid, which has a reimbursement rate that may not cover the cost of treating those patients. Your Committee finds that a tax credit equal to a percentage of the malpractice insurance premiums paid by physicians who see a large number of Medicaid patients would offset some of the cost of practicing medicine in Hawaii. Additionally, this tax incentive may encourage physicians to remain in Hawaii and continue to treat Medicaid patients.

Your Committee finds that the tax credit provided by this measure should be expanded to include clinics that employ physicians, physician's assistants, and advanced practice registered nurses and pay these providers' malpractice insurance premiums. Your Committee further finds that eligibility for the tax credit should be expanded to include physicians and clinics that are in rural areas of the State and those that take emergency calls. Your Committee believes that this would improve the health of Hawaii's residents by providing a greater incentive for physicians and clinics to treat underserved populations in the State.

Accordingly, your Committee has amended this measure by:

- (1) Changing the amount of the allowable tax credit to an unspecified percentage of the annual medical malpractice insurance premium;
- (2) Amending the definition of "qualified taxpayer" to include:
  - (A) Clinics that employ physicians, physician's assistants, and advanced practice registered nurses and pay these providers' malpractice insurance premiums;

- (B) Physicians and clinics that are located in a rural area of the State and regularly treat patients from rural areas; and
- (C) Physicians and clinics that respond to emergency calls;
- (3) Changing, within the definition of qualified taxpayer, the required percentage of Medicaid patients in a physician or clinic's caseload to an unspecified amount;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 595, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 595, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kidani, Kim).

**SCRep. 745 Ways and Means on S.B. No. 785**

The purpose and intent of this measure is to enable the State to match available federal disproportionate share hospital funds to bring in increased amounts of federal funding available for Medicare by appropriating funds to the Department of Human Services.

Your Committee received written comments in support of this measure from John M. Kirimitsu, Kaiser Permanente; and Rick Keene, Executive Vice President and Chief Financial Officer, The Queen's Medical Center.

Your Committee received comments on this measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that the Medicaid program provides coverage for the State's most vulnerable populations and an important piece in ensuring the success of the program is the ability to cover the actual costs of the care provided.

Hawaii's congressional delegation has secured a federal Medicaid disproportionate share hospital appropriation of \$10,000,000 per year through the year 2019; however, these funds cannot be drawn down without a matching state appropriation. By appropriating \$10,000,000 to match the \$10,000,000 in federal disproportionate share hospital funds, this measure will help ensure that Medicaid payments to providers will offset the actual costs of the care provided and that the State's most vulnerable population will receive necessary medical services.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation of the State's total share of matching funds to an unspecified sum; 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 S.B. No. 785, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 785, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Kahele, Kim, Kouchi).

**SCRep. 746 Ways and Means on S.B. No. 939**

The purpose and intent of this measure is to establish the position of statewide fall prevention and early detection coordinator to develop a statewide approach to addressing falls among the elderly.

Your Committee finds that falls among the elderly are a significant public health issue. Among the elderly in Hawaii, falls are the leading cause of fatal injuries and injury-related hospitalizations. The position created by this measure will serve as a focal point for a statewide approach to fall prevention and early detection for the elderly.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 939, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 939, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kim, Slom).

**SCRep. 747 Ways and Means on S.B. No. 1173**

The purpose and intent of this measure is to:

- (1) Appropriate funds to be used by the Department of Education for a grant to provide space education programming services at the Barbers Point elementary school for fiscal year 2011-2012; and
- (2) Require Challenger Center Hawaii to submit a plan to the Legislature to become financially self-sufficient for fiscal year 2012-2013 and thereafter.

Your Committee received comments in support of this measure from Liane Kim, Founding Educator/Director, Challenger Center Hawaii and Stanley Seki, retired DOE administrator and member of the Challenger Center Advisory Committee.

Your Committee finds that Challenger Center Hawaii prepares students for the global and technological workforce by providing hands-on experience in the much-needed areas of science, technology, engineering, and mathematics. Your Committee also finds that Challenger Center Hawaii provides direct professional development opportunities to teachers in Hawaii through its support of the NASA Educator Resource Center, which provides research materials and supplemental curriculum resources to teachers.

Your Committee has amended this measure by:

- (1) Clarifying that the expenditure requires private matching funds;
- (2) Correcting the name “The Challenger Center of Hawaii” to “Challenger Center Hawaii”;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1173, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1173, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 748      Ways and Means on S.B. No. 1276**

The purpose and intent of this measure is to update the Insurance Code and related statutes.

Your Committee received comments in support of this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs.

Your Committee received comments on this measure from Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Service Association; and Oren T. Chikamoto, American Council of Life Insurers.

Your Committee finds that this measure represents efforts to streamline the operations and improve the administrative efficiency of the Insurance Division, enable the Insurance Division to retain its accreditation by the National Association of Insurance Commissioners, and reduce the costs of insurance regulation.

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. 1276, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1276, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Kidani, Kouchi).

**SCRep. 749      Ways and Means on S.B. No. 1164**

The purpose and intent of this measure is to increase the use of renewable energy by amending the definition “eligible business activity” within state enterprise zones to include:

- (1) The production of certain electric power from renewable energy; and
- (2) The ownership, control, operation, or management of a seawater air conditioning district cooling project.

Your Committee received written comments in support of this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism; Warren Bollmeier, Hawaii Renewable Energy Alliance; and Arthur Seki, Director, Renewable Technology Hawaiian Electric Company, Inc.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure will support Hawaii’s clean energy initiatives by assisting developers of renewable energy projects in Hawaii. By amending the definition of “eligible business activity” to include the production of electric power from renewable energy, this measure provides incentives for the creation of new Hawaii-based renewable energy companies and the expansion of existing ones.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure and making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1164, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 750      Ways and Means on S.B. No. 1153**

The purpose and intent of this measure is to provide affordable capital for new farmers by:

- (1) Reducing the new farmer program loan interest rate;
- (2) Increasing the program's loan limits;
- (3) Reducing the number of credit denials required to qualify for the program; and
- (4) Appropriating funds for the program.

Your Committee received comments on this measure from Russell Kokubun, Chairperson, Department of Agriculture.

Your Committee finds that supporting the development of new farms is necessary for the State to meet its sustainability goals and become more self-reliant in food production.

Your Committee has amended this measure by:

- (1) Changing the interest rate on class "F" loans to an unspecified percentage below the prime rate;
- (2) Changing the maximum loan to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1153, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1153, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Fukunaga, Kidani).

**SCRep. 751      Ways and Means on S.B. No. 755**

The purpose and intent of this measure is to create a general excise tax exemption for retail sales of specified items transacted during a five-day period each summer.

Your Committee received comments in support of this measure from the Chamber of Commerce of Hawaii; and Carol Pregill, President, Retail Merchants of Hawaii. The Department of the Attorney General submitted comments.

Your Committee finds that as the State's economy makes a slow recovery, a general excise tax holiday as provided in this measure will afford consumers temporary relief and spark consumer confidence and spending, as well as provide temporary assistance to local businesses. Some studies show that this type of tax holiday results in job creation and a net increase in tax revenues based upon the increased economic activity. An ancillary effect, especially in the retail industry, is that it increases store traffic and encourages spending not only on items that are exempted from the tax but on non-exempt items, which in turn generates tax revenues.

Your Committee has amended this 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 S.B. No. 755, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 755, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kahele).

**SCRep. 752      Ways and Means on S.B. No. 752**

The purpose and intent of this measure is to expand the uses of the Hawaii community-based economic development revolving fund (revolving fund) to include operational and certain personnel funding for the community-based economic development technical and financial assistance program and the enterprise zone program.

This measure also appropriates funds from the revolving fund for these purposes.

Your Committee received written comments in support of this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism.

Your Committee finds that this measure secures funding for programs that are important economic generators for the State and that assist small businesses, expand job creation, and develop a healthier economic environment in Hawaii.

Your Committee has amended this measure by:

- (1) Adding a new part clarifying that moneys in the hydrogen investment capital special fund are to be expended by the Hawaii Strategic Development Corporation;
- (2) Correcting references to the community-based economic development technical and financial assistance program;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 752, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 752, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Kidani, Kouchi).

**SCRep. 753 Ways and Means on S.B. No. 753**

The purpose and intent of this measure is to:

- (1) Extend the state income tax credit for research activities for an additional five years; and
- (2) Add extensive reporting requirements related to the tax credit.

Your Committee received comments in support of this measure from the Chamber of Commerce of Hawaii; Yuka Nagashima, Executive Director & CEO, High Technology Development Corporation; Rick Holasek, Ph.D., President and CEO, NovaSol; and Alan S. Hayashi. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that research and development is a highly critical component to a sustainable economy. Your Committee also finds that the tax credit for research activities has been effective in generating new tax revenues, creating new companies, and employing a number of residents, while also supporting research and development activities, which in turn foster and encourage the innovation essential to creating high-wage job opportunities in our economy. Your Committee further finds that, in comparing the tax credit for research activities to other tax credits, the tax credit for research activities is one of the most effective in generating and maintaining jobs per tax dollar, generating higher tax revenues for dollars spent, and stimulating measurably more economic activity in the State per dollar of tax credit.

Your Committee has amended this measure by:

- (1) Amending the definition of “qualified high technology business” by changing the required percentage of qualified research to an unspecified amount;
- (2) Correcting a citation to the Internal Revenue Code;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 753, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 753, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Kidani, Kouchi).

**SCRep. 754 Ways and Means on S.B. No. 745**

The purpose and intent of this measure is to add the production of air conditioning from seawater air conditioning district cooling systems as an eligible business activity in the State’s enterprise zone program.

Your Committee received comments on this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism; and the Tax Foundation of Hawaii.

Your Committee finds that adding other alternative energy production enterprises such as seawater air conditioning district cooling systems will further promote the State’s goal of lessened dependency on fossil fuels. The downtown Honolulu seawater air conditioning project will generate significant construction spending and create a number of jobs.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 745, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 745, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 755 Ways and Means on S.B. No. 126**

The purpose and intent of this measure is to:

- (1) Establish a Medicaid buy-in program for working people with disabilities; and
- (2) Make an appropriation for the employment training and placement program as the State’s share of funding to be matched by federal funds made available for a Hawaii Medicaid buy-in program.

Your Committee received written comments in support of this measure from Ronnie Perry.

Your Committee finds that working-age adults with disabilities have limited options for health insurance coverage. This measure will allow working adults with disabilities who do not have health insurance through their employers, or who earn more than the allowable ceiling, to obtain Medicaid coverage.

Your Committee has amended this measure by:

- (1) Changing the maximum amounts of non-exempt sources an individual or couple may have to qualify for the buy-in program to unspecified sums;
- (2) Changing the appropriation for the employment training and placement program to an unspecified amount;
- (3) Clarifying that funds shall be provided to the University of Hawaii each fiscal year for administration and setup under the direction of the Department of Human Services;
- (4) Changing the amount that is to be provided to the University of Hawaii each fiscal year to an unspecified amount;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on 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. 126, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 126, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, English, Fukunaga, Kim).

**SCRep. 756      Ways and Means on S.B. No. 99**

The purpose and intent of this measure is to change the structure, composition, and processes of the Public Utilities Commission to operate more effectively in the increasingly complex regulatory environment.

Your Committee received comments in support of this measure from Maui County Farm Bureau; Hawaii Farm Bureau; Blue Planet Foundation; Lauren Zirbel, Government Relations, Hawaii Food Industry Association; Michael J. Matsukawa, Keahole Defense Coalition; and Peggy Ratliff.

Your Committee received comments on this measure from Jeffrey T. Ono, Executive Director, Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Carlito P. Caliboso, Chairman, Public Utilities Commission, Department of Budget and Finance; and Roy Catalani, Vice President, Young Brothers, Limited.

Your Committee finds that the increasingly complex industries that are regulated by the Public Utilities Commission, including energy provision, transportation, and telecommunications, demand specialized knowledge and expertise on the part of the regulators and improved structure and processes of the Commission. Your Committee notes that the office of the auditor has conducted multiple management audits of the Public Utilities Commission over the past thirty-six years and has consistently found serious and pervasive problems with staffing, management, and planning. Serious, structural changes in the composition of the Commission, the provision of experienced professional staff, and greater transparency in the approval process for certain public utilities are necessary to ensure that the Commission both accurately responds to the interests of the entire State and holds sufficient expertise in the relevant issue areas. Your Committee further finds that this measure provides an effective approach to structuring the Commission and a means for monitoring its implementation and progress to provide for modification or repeal, as necessary. The measure also clarifies findings of public necessity and the issuance of certificates relating to water carriers.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 99, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 99, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 757      (Majority) Ways and Means on S.B. No. 1274**

The purpose and intent of this measure is to amend the Patients' Bill of Rights and Responsibilities Act by establishing uniform standards for external review procedures.

Your Committee received comments in support of this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; and Ohana Health Plan.

Your Committee received comments in opposition to this measure from Arleen Jouxson-Meyers, M.D., J.D., M.P.H., President, Hawaii Coalition For Health; Rev. Bob Nakata, Chair, Faith Action for Community Equity; and twenty-seven individuals.

Your Committee finds that this measure is based upon the National Association of Insurance Commissioners Uniform Health Carrier External Review Model Act. This measure replaces the existing external review process for deciding health insurance coverage disputes with a new process in which the review is conducted by an independent review organization in accordance with the requirements of the federal Patient Protection and Affordable Care Act. An independent review organization is a private organization that contracts with a medical doctor to give a medical opinion on a health insurance coverage dispute.

Your Committee has amended this measure by:

- (1) Deleting the amounts specified for an external review filing fee and the maximum annual aggregate filing fee and leaving those amounts unspecified;
- (2) Changing the effective date to July 1, 2050, in order to facilitate further discussion of the matter; 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. 1274, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1274, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kidani, Kouchi).

**SCRep. 758 Ways and Means on S.B. No. 1384**

The purpose and intent of this measure is to improve the educational achievement of Hawaii's youth by requiring children to be assessed prior to entering the first grade.

Specifically, this measure requires, beginning with the 2014-2015 school year:

- (1) Public and private kindergarten students to be assessed by a qualified teacher with an early childhood education background to certify that the student is prepared to enter the first grade;
- (2) Assessments by private kindergarten programs to be certified by the Hawaii Association of Independent Schools or the Early Learning Council; and
- (3) Children who did not attend any kindergarten program to be assessed by qualified Department of Education personnel.

Your Committee received written comments in opposition to this measure from Kathryn S. Matayoshi, Superintendent of Education, Department of Education; and two individuals. Written comments were received from Donald B. Young, Director, Hawaii Educational Policy Center; Elisabeth Chun, Executive Director, Good Beginnings Alliance; and Robert Peters, Chair, Early Learning Council.

Your Committee finds that some children enter the first grade without the skills and preparation necessary for success. Assessments of children entering the first grade by qualified personnel would help ensure that children are placed in an academically appropriate grade level.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1384, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1384, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 759 (Majority) Ways and Means on S.B. No. 1242**

The purpose and intent of this measure is to make an emergency appropriation from the brownfields cleanup revolving loan fund for costs associated with cleanup of a contaminated site in Kapolei.

Your Committee received comments in support of this measure from Mary Lou Kobayashi, Planning Program Administrator, Office of Planning, Department of Business, Economic Development, and Tourism.

Your Committee finds that the existing ceiling of the brownfield cleanup revolving loan fund must be increased to permit the disbursement of funds to the Department of Hawaiian Home Lands for the cleanup of a contaminated site in Kapolei.

Your Committee has amended this measure to correctly reflect the current version of Act 162, 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. 1242, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1242, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 760 Ways and Means on S.B. No. 1453**

The purpose and intent of this measure is to establish the prescription medication prior authorization working group to consider the issues related to prior authorization requirements for prescription medications.

Your Committee received comments in support of this measure from Hawaii Medical Association; James D. Lee, Public Affairs Chair, Neuropathy Action Foundation; Michelle Vogel, Executive Director, The Alliance for Plasma Therapies; Barby Ingle, Executive Director, Power of Pain Foundation; and David Messer III, Hawaii Academy of Physicians Assistants. Your Committee received comments on this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; Patricia McManaman, Interim Director, Department of Human Services; and Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Services Association.

Your Committee finds that standardizing the prior authorization process may significantly reduce administrative burdens for physicians. At present, a major challenge in providing patients with timely and effective prescription drug treatment is the array of the

formularies used by managed care organizations. Reducing the number of prior authorizations is directly related to the improvement of patient care.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, in order to facilitate further discussion on the matter; 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. 1453, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1453, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Kidani, Kouchi).

**SCRep. 761 Ways and Means on S.B. No. 1487**

The purpose and intent of this measure is to establish a fair process for the closure or consolidation of public schools by:

- (1) Specifying the Department of Education's authority to close or consolidate schools in conformance with rules adopted by the Department;
- (2) Requiring the Department of Education to consider the effects of the closure or consolidation and the availability of suitable alternative schools for displaced students and teachers;
- (3) Requiring the Department of Education to give notice to affected schools prior to closure or consolidation; and
- (4) Requiring affected schools to propose a plan demonstrating ways to increase enrollment, raise additional revenue, or make additional cost reductions to avoid closure or consolidation.

Your Committee received written comments in support of this measure from Elisabeth Chun, Executive Director, Good Beginnings Alliance. Written comments were received from Kathryn S. Matayoshi, Superintendent of Education, Department of Education.

Your Committee finds that public school closures and consolidations reduce costs and promote efficient uses of public school facilities. However, these efforts often have a significant impact on students, families, and school staff. This measure establishes a process that ensures consideration of the effects of school closures and consolidations before they are imposed, while requiring affected schools and their communities to work towards specified target goals that would allow these schools to remain open.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1487, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 762 Ways and Means on S.B. No. 209**

The purpose and intent of this measure is to assist Palolo Chinese Home by authorizing the issuance of special purpose revenue bonds to finance the expansion, construction, and rebuilding of its health care facilities.

Your Committee finds that Palolo Chinese Home is Hawaii's largest and second oldest adult residential care home, providing shelter and care to Hawaii's seniors since 1896. In 2005, the Legislature authorized the issuance of \$40,000,000 in special purpose revenue bonds to assist Palolo Chinese Home with financing the expansion, construction, and rebuilding of its facilities. Palolo Chinese Home, however, was unable to access bond funding before the authorized funding lapsed. This measure will enable Palolo Chinese Home and its not-for-profit subsidiaries to finance the expansion and construction of its facilities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 209, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 763 Ways and Means on S.B. No. 957**

The purpose and intent of this measure is to create a Citizen's Family Law Advisory Committee, comprised of a broad spectrum of citizens, to assist the Judiciary and the Legislature in improving the family court.

Your Committee received written comments in support of this measure from nine individuals.

Your Committee received written comments in opposition to this measure from Glennard Fong, Chief Court Administrator, First Circuit, The Judiciary, State of Hawaii; and one individual.

Your Committee finds that the family court comprises a significant portion of unmet legal needs within the community. This measure provides within the Judiciary an ongoing and necessary means by which judiciary personnel, family court professionals, related service providers, and the public can collaborate to improve the family court.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 957, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 764 (Joint/Majority) Judiciary and Labor and Ways and Means on S.B. No. 1**

The purpose and intent of this measure is to provide for the recognition of Native Hawaiians as the indigenous people of Hawaii and establish a process for the reorganization and recognition of a Native Hawaiian governing entity.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands; the Association of Hawaiian Civil Clubs; and one individual. Your Committees received testimony in opposition to this measure from Aha Hawai'i 'Oiwī, the Native Hawaiian Convention; the Hawai'i'imiloa Movement; and twenty individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs and the Mainland Council of the Association of Hawaiian Civic Clubs.

Your Committees find that the federal Native Hawaiian Government Reorganization Act of 2009, commonly known as the "Akaka Bill", proposes to establish a process for indigenous Native Hawaiians to gain federal recognition similar to that of an Indian tribe. Two of the goals of federal recognition are to protect the Hawaiian Home Lands trust from Fourteenth Amendment challenges and to advance Native Hawaiian self-governance and self-determination. While federal recognition by Congressional legislation is currently stalled, state recognition of the Native Hawaiian people is necessary and achievable.

Your Committees believe that the State must give full recognition of Native Hawaiians and provide assistance and funding to facilitate their self governance through a Native Hawaiian governing entity, of, by and for Native Hawaiians.

Your Committees have amended this measure by:

- (1) Revising the definition of a "qualified Native Hawaiian" for the purposes of clarity; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and accuracy.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 15; Ayes with Reservations (Chun Oakland, Fukunaga, Wakai). Noes, 2 (Espero, Slom). Excused, 1 (Ihara).

**SCRep. 765 Judiciary and Labor on S.B. No. 217**

The purpose and intent of this measure is to:

- (1) Eliminate the statute of limitations for civil actions brought by persons subjected to sexual offenses as a minor; and
- (2) Revive for one year certain actions for which the statute of limitations had previously lapsed.

Your Committee received testimony in support of this measure from The Sex Abuse Treatment Center and three individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General and the Hawaii Catholic Conference.

Your Committee finds that this measure will expand the ability of sex assault victims to seek civil compensation for damages for the assault. The extension of the statute of limitations recognizes that victims of sex crimes who are under the age of majority are rarely equipped to report their abuses to the appropriate public authorities within the given time periods of legal statutes of limitations.

Testimony presented to your Committee raised concerns about this measure, however. Specifically, the Department of the Attorney General testified that this measure appears to allow a cause of action to be brought, not just against the alleged perpetrator, but against even those whom the claimant may believe had some connection, no matter how peripheral, to the assault or abuse, without any time limitation. The Department of the Attorney General raised concerns that the measure may violate the due process clause of the state and federal constitutions, since a claim can conceivably be brought against any person or entity at any time, which could prevent or severely impair that person or entity's ability to defend himself or itself.

Because the window for an action is thirty-five years or less before the effective date of the measure or within thirty-five years after the minor attained the age of eighteen, claims may be potentially asserted going back as far as fifty-three years. This raises problems with the availability of witnesses or documentation that would allow a medical provider or hospital to defend itself against a lawsuit for failure to report suspected abuse that occurred decades before, for example. An unlimited limitations period combined with the ability to bring suit against any person or entity raises questions about whether a person or entity connected only remotely with the abuse can meaningfully defend against such claims. Other concerns raised by various testifiers included the certification process and the potential for specious claims.

Your Committee notes that a substantively similar measure was enacted in Delaware in 2007, and codified at section 8145 of the Delaware Code. These provisions resolve many of the concerns raised in testimony and have been upheld on review by Delaware appellate courts and federal courts.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with the contents of section 8145 of the Delaware Code, which amends the measure, as received by your Committee, in the following ways:
  - (A) Limits the cause of action to the perpetrator of the sexual abuse, except for the employer of the perpetrator when the employer either owed some duty to the minor or the employer had some degree of responsibility or control over the activity engaged in by the perpetrator and the minor and the employer was grossly negligent;
  - (B) Does not include the certificate of merit requirement;
  - (C) Extends the period in which a revived cause of action may be brought from one year to two years; and

(D) Allows a person against whom a suit is filed to recover attorneys' fees where the court determines that a false accusation was made with no basis in fact and with malicious intent;

- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 217, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 217, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 766      Judiciary and Labor on S.B. No. 30**

The purpose and intent of this measure is to extend the time period during which the legal and registered owner of an abandoned vehicle may recover possession of the vehicle before it may be subject to disposal.

Your Committee received testimony in support of this measure from the Hawaii Credit Union League and EAN Holdings, LLC.

Your Committee finds that this measure establishes a more practical time frame for a vehicle owner to recover possession of a vehicle that has been towed away after being designated as abandoned. Your Committee further finds that this measure will be especially useful in cases where the vehicle was financed by a loan because it gives a lender who receives notice of the abandoned vehicle sufficient time to contact a borrower who is the vehicle's actual owner.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 30, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 30, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 767      Judiciary and Labor on S.B. No. 723**

The purpose of this measure is to extend the sunset date of Act 87, Session Laws of Hawaii 2009, from July 1, 2011, to July 1, 2015, thereby extending the exemption from the environmental impact statements law under chapter 343, Hawaii Revised Statutes, for certain primary actions that require permits or approvals not subject to discretionary consent and involving ancillary secondary actions limited to certain infrastructure work in public rights-of-way or highways.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, Land Use Research Foundation of Hawaii, Hawai'i Association of REALTORS, Hawaii Farm Bureau Federation, and Hawaii Electric Company, Inc. Your Committee received testimony in opposition to this measure from one private individual.

According to testimony received by your Committee, prior to the passage of Act 87, Session Laws of Hawaii 2009, the Office of Environmental Quality Control had been reviewing hundreds of minor work projects touching public roadways or public rights-of-ways to determine whether environmental assessments were necessary. The extension of Act 87 is necessary to continue to clarify that chapter 343, Hawaii Revised Statutes, should not be applied to certain actions, including minor work touching public roadways. Your Committee finds that this exemption will reduce the preparation of unnecessary environmental assessments, saving valuable time and money, without compromising adequate protection for Hawaii's environment.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 723, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 723, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 768      Judiciary and Labor on S.B. No. 218**

The purpose and intent of this measure is to require hospitals to provide survivors of sexual assault with medically and factually accurate and unbiased information regarding emergency contraception and to make emergency contraception immediately available upon request to survivors of sexual assault.

Your Committee received testimony in support of this measure from the GLBT Caucus of the Democratic Party of Hawaii, Hawai'i State Democratic Women's Caucus, Hawaii State Commission on the Status of Women, The Sex Abuse Treatment Center, Department of the Prosecuting Attorney of the City and County of Honolulu, American Civil Liberties Union of Hawaii, Democratic Party of

Hawai'i, Women's Coalition, Planned Parenthood of Hawaii, Community Alliance on Prisons, Healthy Mothers Healthy Babies Coalition of Hawai'i, and many private individuals. Your Committee received testimony in support of the intent of this measure from the Department of Health. Your Committee received testimony in opposition to this measure from the Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Right to Life, Americans United for Life Action, and many private individuals. Your Committee received comments on this measure from the Healthcare Association of Hawaii and one private individual.

Your Committee finds that each year in Hawaii, hundreds of women and girls report having been forcibly raped. This already high number does not include the unknown numbers of women who were raped but did not report the rape to the authorities. Statistically, approximately five to eight percent of these women will become pregnant as a result of being raped if they are not able to take advantage of emergency contraception. Your Committee finds that denying a survivor of rape the opportunity to avoid pregnancy caused by the rape adds additional trauma to the incident of the rape by denying the survivor's agency over her own body and imposing the will of another individual over her right to make her own informed choice. Your Committee further finds that providing women who seek emergency medical services after a rape with accurate information about and immediate access to emergency contraception is the accepted standard of care according to the American Medical Association and the American College of Obstetricians and Gynecologists and is mandated in fifteen states, the District of Columbia, and all military and federal hospitals.

Your Committee does not find the arguments of this measure's opponents to be persuasive. Your Committee notes that certain medical providers have been subject to contract-based restrictions on the medical services that they are allowed to offer to patients. Your Committee finds that these restrictions are generally unrelated to the philosophies of individual providers or the institutional priorities of health care facilities, but are rather conditions imposed by third-party landowners unconnected to the actual provision of care at the health care facilities. Your Committee finds that all patients are entitled to make informed choices and to receive thorough medical care. Your Committee further finds that it is inappropriate to allow the particular viewpoint of a provider or the institutional philosophy of a third party to restrict a patient's right to access legal, medically appropriate, and readily available medical treatment.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 218, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 218, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Ihara). Noes, 2 (Gabbard, Slom). Excused, none.

**SCRep. 769      Judiciary and Labor on S.B. No. 580**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to establish two additional marine life conservation districts, each one extending three miles or less from the shoreline of the Island of Maui into state marine waters. This measure also requires the Department of Land and Natural Resources to report to the Legislature annually on the effectiveness and enforcement of the two additional marine life conservation districts.

Your Committee received testimony in support of this measure from the Pacific Whale Foundation; Hui Ho'omalulu i ka 'Aina; Maui Tomorrow; The Humane Society of the United States; and numerous individuals. Your Committee received testimony in opposition to this measure from seven individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources and seven individuals.

Marine life conservation districts are recognized in chapter 190, Hawaii Revised Statutes, as a valuable marine resources management tool. Chapter 190 also designates the Department of Land and Natural Resources as the lead agency in the administration of marine life conservation districts and authorizes the Department to establish and modify the limits of these conservation districts.

Your Committee finds that establishing marine life conservation districts is an effective approach to furthering the policies and objectives of the Hawaii Ocean Resources Management Plan. The districts integrate the management of activities and resource use to sustain the quality and health of living and non-living marine resources and to ensure that the management of fisheries and ocean recreation activities is coordinated to enhance the effectiveness of marine life protection.

Your Committee believes, however, that these conservation districts should include the integrated regional management tools developed for the West Hawaii Regional Fishery Management Area (West Hawaii FMA) pursuant to Act 306, Session Laws of Hawaii 1998. The West Hawaii FMA was developed to provide for the effective management of fishery activities in the West Hawaii coastal area, to enhance near-shore resources, and to minimize conflicts of use. The West Hawaii FMA established by Act 306 has been successful due to the integration of reporting requirements and community involvement. Your Committee believes that incorporation of these provisions in this measure will enhance the marine life conservation districts established under this measure.

Your Committee has amended this measure by:

- (1) Changing the annual reporting requirement by requiring instead a report by the Department of Land and Natural Resources, in collaboration with the University of Hawaii and with community involvement, to be submitted every five years to the Legislature, beginning with the Regular Session of 2013;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 580, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 580, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 770      Judiciary and Labor on S.B. No. 798**

The purpose and intent of this measure is to establish that interdisciplinary quality assurance committees composed of members from various health care organizations have similar protections as those committees formed by hospitals, health maintenance organizations, and statewide trauma care systems.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association and Healthcare Association of Hawaii.

The purpose of quality assurance committees is to encourage robust discussion that lead to changes in policies, procedures, and practices in the interests of protecting patient safety and the quality of medical services. Your Committee finds that quality assurance committees are most effective if discussions amongst its own members as well as discussions between quality assurance committees of various hospitals, clinics, facilities, and other institutions are protected from discovery. Your Committee believes that the potential for discovery has a dampening effect on discussions in quality assurance committees, which are focused on the greater good of all patients, and that patient protections that result from discussions in quality assurance committees are necessary to fulfill the purpose of such committees. That said, the expansion of the definition of "quality assurance committee" to include representatives of different groups of organizations does not alter the limited scope of confidentiality accorded in subsections (c) and (d) of section 624-25.5, Hawaii Revised Statutes. Quality assurance committees may not prevent discovery of otherwise discoverable information and material by using or considering the information or material in its proceedings.

The intent of your Committee is for this measure to apply to:

- (1) Discussions within a quality assurance committee of any one licensed hospital, clinic, long-term care facility, skilled nursing facility, assisted living facility, home care agency, hospice, health maintenance organization, preferred provider organization, preferred provider network providing medical, dental, or optometric care, or authorized state agency whose function is to monitor and evaluate patient care; and
- (2) Discussions between and among quality assurance committees comprising of various institutions listed in paragraph (1).

Your Committee has amended this measure 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 798, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 798, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 771      (Majority) Judiciary and Labor on S.B. No. 1065**

The purpose and intent of this measure is to:

- (1) Create a new bargaining unit 14 to represent state law enforcement officers; and
- (2) Clarify that no election shall be directed by the Hawaii Labor Relations Board in any newly created bargaining unit of employees who are currently covered by a valid collective bargaining agreement.

Your Committee finds that the new bargaining unit 14 proposed under this measure would provide for collective bargaining representation exclusively for state law enforcement officers, who have needs and issues that are distinct from those of members in bargaining units 3 and 4, under which state law enforcement officers are currently represented.

Your Committee has amended this measure 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1065, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Ihara, Shimabukuro).

**SCRep. 772      Judiciary and Labor on S.B. No. 1522**

The purpose and intent of this measure is to establish licensure and regulatory requirements for large-scale dog breeding operations.

Your Committee received testimony in support of this measure from The Humane Society of the United States, West Hawaii Humane Society, Boxer Club of Hawaii, The Oahu Society for the Prevention of Cruelty to Animals, the Hawaiian Kennel Club, and numerous individuals. Your Committee received testimony in opposition to this measure from the American Kennel Club and four individuals. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that dog breeding is currently unregulated in Hawaii. Further, while animal cruelty laws do exist, they are insufficient to allow for effective enforcement, particularly since current law does not allow entry onto property for investigation of

suspected violations. Your Committee finds that unscrupulous breeding programs not only harm breeding animals that are kept under inhumane conditions, but also produce puppies that are sold to unsuspecting consumers despite their unsuitability as pets due to health problems.

Your Committee recognizes that, since dog breeding is currently an unregulated industry, any measure to create a regulatory system for this activity is subject to a sunrise review by the State Auditor pursuant to section 26H-6, Hawaii Revised Statutes. Your Committee is mindful of this requirement, but nevertheless urges thoughtful consideration of this measure in order to present the Auditor with the opportunity for meaningful review of this important issue. Your Committee further recognizes that proponents of this measure have cited the law of the State of Wisconsin as a useful model for Hawaii to follow in regulating dog breeders. Your Committee respectfully requests that a sunrise review based on this measure also include consideration of the Wisconsin law and its potential applicability to Hawaii.

Your Committee has amended this measure by:

- (1) Including “adequate rest between breeding cycles” among the requirements for humane breeding and defining that term;
- (2) Deleting language that would have authorized the Director of Commerce and Consumer Affairs to determine the specific amount of the civil penalty imposed upon a person who operates as a large-scale breeder without a license; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1522, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1522, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Ihara). Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 773 (Majority) Ways and Means on S.B. No. 1088**

The purpose and intent of this measure is to clarify the laws relating to partial unemployment benefits.

Specifically, this measure:

- (1) Makes permanent the partial unemployment benefits system;
- (2) Protects an individual from being disqualified for unemployment benefits if the individual, under certain conditions, separates from a secondary employer offering part-time employment; and
- (3) Removes restrictions on being eligible for continued claim certification for partial unemployment benefits where an intervening period of total unemployment extends beyond eight consecutive weeks.

Your Committee received comments in support of this measure from ILWU Local 142.

Your Committee received comments in opposition to this measure from Dwight Takamine, Director, Department of Labor and Industrial Relations; and Chamber of Commerce of Hawaii.

Your Committee finds that a partial unemployment system provides benefits to both the temporarily laid-off employee as well as the regular employer. In many cases, partial unemployment occurs when an employer requires a temporary shutdown of all or part of the employer's operations and provides some benefits (usually medical coverage) as an incentive for employees to return to their jobs when work becomes available. The arrangement is a “win-win” for both sides. Employees have income support during the temporary layoff while the employer is assured that experienced employees will return to their jobs and the cost of recruitment and training of new employees can be avoided.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1088, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 774 Ways and Means on S.B. No. 425**

The purpose and intent of this measure is to reduce the incidence of chronic illness and foster preventative and proactive patient behavior by establishing a wellness pilot program within Medicaid. This measure also authorizes establishment of the Joint Legislative Task Force on Medicaid to examine issues related to Medicaid shortfalls.

Your Committee received written comments in support of this measure from one individual.

Your Committee received comments on this measure from the Hawaii Medical Association; and the Ohana Health Plan.

Your Committee finds that federal legislation has shifted the focus of healthcare from treatment to prevention, and Hawaii must comply with federal health care reform legislation requirements by 2014. The establishment of the wellness pilot program would bring Hawaii into compliance with some of the federal health care reform requirements. Further, your Committee finds that QUEST faced an extensive budgetary shortfall last legislative session and the Joint Legislative Task Force on Medicaid would identify the reasons for, and offer resolutions to, recent Medicaid shortfalls.

Your Committee has amended this measure by:

- (1) Changing the reference from “committee on human services” to “standing committees that have jurisdiction over human services” to address potential changes of names and subject matters of legislative committees;

- (2) Inviting, rather than requiring, specific private entities to serve on the task force;
- (3) Deleting representatives from the Avalon Health Care Group and the YMCA of Honolulu from the task force membership;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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. 425, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 425, S.D. 3.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kahele, Kim).

**SCRep. 775 (Majority Ways and Means on S.B. No. 281)**

The purpose and intent of this measure is to:

- (1) Authorize the use or rental of the Division of Animal Industry's property or facilities for commercial purposes; and
- (2) Establish the animal industry special fund for the deposit of moneys received from the rental or use of Division facilities and to cover costs of the Division of Animal Industry.

Your Committee finds that this measure will expand revenue sources available to the Department of Agriculture's Division of Animal Industry that will assist the Division in moving towards self-sufficiency.

Your Committee has amended this measure by:

- (1) Authorizing the Department of Agriculture to use funds in the animal industry special fund to cover the costs of the Department's resource management and planning programs; 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 S.B. No. 281, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 281, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Fukunaga).

**SCRep. 776 (Majority Ways and Means on S.B. No. 651)**

The purpose and intent of this measure is to authorize a mortgagor to require a foreclosing mortgagee to engage in dispute resolution prior to a judicial or nonjudicial foreclosure.

Furthermore, this measure establishes a special fund for foreclosure dispute resolution, to be administered by the Judiciary, and imposes a six-month moratorium on judicial and nonjudicial foreclosures.

Your Committee received comments in support of this measure from Stephen Levins, Executive Director, Office of Consumer Protection, Department of Commerce and Consumer Affairs; Rev. Samuel L. Domingo, Pastor, Keolumana United Methodist Church, and President, FACE Oahu; and 8 individuals.

Your Committee received comments in opposition to this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Iris Ikeda Catalani, Commissioner of Financial Institutions, Department of Commerce and Consumer Affairs; Gary Fujitani, Executive Director, Hawaii Bankers Association; and Rick Tsujimura, Mortgage Bankers Association of Hawaii.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance; Rodney A. Maile, Administrative Director of the Courts, the Judiciary of the State of Hawaii; and Myoung Oh, Government Affairs Director, Hawaii Association of REALTORS.

Your Committee finds that across the nation, mediation has rapidly grown in popularity as a means to avoid foreclosure. Jurisdictions throughout the United States have implemented various forms of mediation in response to the foreclosure crisis. The mediation program established under this measure is based on the program currently in use in Nevada, which is one of the most successful programs currently operating in the United States. The Nevada program has kept forty-six per cent of participating homeowners in their homes.

Your Committee has amended this measure by:

- (1) Clarifying the measure's purpose in section 1;
- (2) Clarifying that "notice of default" includes an amended notice of default issued if mediation fails;
- (3) Changing the effective date to July 1, 2050, to facilitate continued discussion of the matter; 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. 651, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 651, S.D. 2.



Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 777      Ways and Means on S.B. No. 1155**

The purpose and intent of this measure is to increase food sustainability in Hawaii by establishing a long-term agricultural lease task force to develop a plan for expanding the availability of long-term leases to small farms and agricultural enterprises.

Your Committee received written comments in support of this measure from Dr. Sabry Shehata, Professor of Agricultural Economics, University of Hawaii at Hilo; Juanita C. Kawamoto Brown, Subcommittee Chair, Environmental Caucus of the Democratic Party of Hawaii; and one hundred four individuals.

Your Committee received comments on the measure from Russell S. Kokubun, Chairperson, Board of Agriculture.

Your Committee finds that small farmers and locally based agricultural enterprises play an important role in achieving food sustainability. Developing a plan and making recommendations to expand the availability of long-term leases that are favorable to small farmers and agricultural enterprises will help these groups pursue innovative solutions in the field of diversified agriculture.

Your Committee has amended this measure by:

- (1) Clarifying that private entities will be invited to serve on the task force;
- (2) Clarifying that the task force is to submit its final findings and recommendations, rather than reporting its progress, to the Legislature prior to the Regular Session of 2012;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1155, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 778      Ways and Means on S.B. No. 1385**

The purpose and intent of this measure is to maximize the use of public school lands and generate additional revenue to repair and maintain public schools.

The measure accomplishes this objective by establishing a public school lands trust to generate income from the redevelopment of excess and underutilized public school lands and to use those revenues to construct, repair, and retrofit public schools to meet the challenges of the twenty-first century and beyond.

Your Committee received written comments in support of this measure from Wil Okabe, President, Hawaii State Teachers Association; and Bill Reeves; Good Beginnings Alliance.

Your Committee received written comments in opposition to this measure from Kalbert K. Young, Director, Department of Budget and Finance; and Tulsı Gabbard Tamayo, City Council, City and County of Honolulu.

Your Committee received written comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Peter Carlisle, Mayor, City and County of Honolulu; Kathryn S. Matayoshi, Superintendent of Education, Department of Education; and Owen Miyamoto, Hawaii 3R's Program.

Your Committee finds that many school facilities are in dire need of repair, maintenance, and improvement of systems and infrastructure to meet the twenty-first century challenges in technology and education. This measure proposes one option to capture revenues from currently unused or underutilized public school lands that may yield much-needed revenues for Hawaii's schools after redevelopment.

Your Committee has amended this measure by:

- (1) Clarifying that the preliminary study and public hearing for public school trust lands identified for redevelopment are to be conducted by the Public School Lands Trust Commission established by this measure;
- (2) Changing all percentages in this measure to unspecified percentages; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1385, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1385, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 779      (Majority) Ways and Means on S.B. No. 1363**

The purpose and intent of this measure is to protect the environment by requiring businesses to collect an offset fee of 25 cents for each non-reusable checkout bag it distributes, to reduce the excessive use of non-reusable checkout bags that present an unnecessary threat to the environment and ocean health.

Your Committee received comments in support of this measure from Loretta J. Fuddy, Acting Director of Health, Department of Health; Hawaii Food Industry Association; Susan M. Houghton, Director of Public Affairs and Government Relations, Safeway; Bob Gutierrez, Director of Government Affairs, Times Supermarket; Stuart Coleman, Hawaii Coordinator, Surfrider Foundation; Robert D. Harris, Director, Sierra Club Hawaii Chapter; Carol Pregill, President, Retail Merchants of Hawaii; Rachel Harvey; and forty three individuals.

Your Committee finds that the State has a compelling interest in protecting the natural environment. Your Committee further finds that the excessive use of non-reusable checkout bags requires excessive processing of polluting fossil fuel for production of the bags, poses serious health risks to legally protected sea turtles and marine mammals, and burdens overcrowded landfills.

Your Committee has amended this measure by:

- (1) Deleting the definition of "exempt county" and references thereto;
- (2) Deleting the exemption from the offset fee for recipients of food subsidies through the women, infants, and children program or the supplemental nutrition assistance program;
- (3) Changing all dollar amounts and percentages to an unspecified amount; and
- (4) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1363, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1363, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Chun Oakland, English, Espero, Kim, Ryan, Tokuda, Wakai). Noes, 1 (Slom). Excused, 2 (Dela Cruz, Fukunaga).

**SCRep. 780      Ways and Means on S.B. No. 1503**

The purpose and intent of this measure is to ensure the quality of services provided for students with disabilities by:

- (1) Statutorily defining various private special education schools and programs where students with disabilities may be placed at the Department of Education's expense;
- (2) Requiring these schools and programs to comply with federal and state laws, rules, and regulations; and
- (3) Requiring certain of these private schools or programs that receive state funding to obtain accreditation within ninety days of accepting a student with disabilities.

Your Committee received written comments in support of this measure from Liz Ann Salvador, Chair, State Council on Developmental Disabilities; and Robert Witt, Executive Director, Hawaii Association of Independent Schools.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that this measure would provide the Department of Education and various private schools and programs that serve students with disabilities clearer guidelines and requirements for providing special education and related services for students with disabilities.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1503, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1503, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

**SCRep. 781      (Majority) Ways and Means on S.B. No. 1519**

The purpose and intent of this measure is to make several amendments to the Secure and Fair Enforcement for Mortgage Licensing Act with regard to mortgage loan originators.

Your Committee received comments in support of this measure from Scott Coffman, Hawaii Association of Mortgage Brokers.

Your Committee received comments on this measure from Iris Ikeda Catalani, Commissioner of Financial Institutions, Department of Commerce and Consumer Affairs.

Your Committee finds that most of the amendments in this measure will make the licensing determination process more expedient and efficient, and make Hawaii's law consistent with the language and purposes of the Nationwide Mortgage Licensing System, which became operational for Hawaii licensees in the latter part of 2010. The few substantive changes in the measure respond to the realization that the current statute fails to address important prohibited mortgage loan originator practices.

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. 1519, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1519, S.D. 3.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Kidani, Kouchi).

**SCRep. 782 (Majority) Ways and Means on S.B. No. 1287**

The purpose and intent of this measure is to better frame the duties and responsibilities of the State's Chief Information Officer and provide the necessary staffing and funding resources to accomplish those objectives

Specifically, the measure:

- (1) Authorizing the Chief Information Officer to employ staff exempt from chapters 76, 78, and 89, Hawaii Revised Statutes;
- (2) Moving the shared services technology special fund from the Department of Budget and Finance to the Department of Accounting and General Services, and requiring three per cent of the receipts collected from the special funds pursuant to section 36-27, Hawaii Revised Statutes, to be deposited into the shared services technology special fund;
- (3) Authorizing the Chief Information Officer and the Comptroller to raise funds to defray administrative costs and accept donations of money and personal property on behalf of the information technology steering committee, subject to certain provisions; and
- (4) Requiring the Chief Information Officer to submit an annual report to the Governor and the Legislature on the activities, programs, and related expenses under the authority of the Chief Information Officer and the information technology steering committee.

The measure also appropriates unspecified amounts to, and out of, the shared services technology special fund to implement the purposes of this measure.

Your Committee received comments in support of this measure from Bruce A. Coppa, Comptroller, Department of Accounting and General Services.

Your Committee finds that this measure will assist the office of the Chief Information Officer and all stakeholders by clarifying the responsibilities of the position.

Your Committee has amended this measure by:

- (1) Changing the percentage of receipts collected for special funds to be deposited to the shared services technology special fund to an unspecified percentage; 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 S.B. No. 1287, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1287, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Kahele).

**SCRep. 783 Ways and Means on S.B. No. 1154**

The purpose and intent of this measure is to:

- (1) Establish a south Kona wilderness area on the island of Hawaii; and
- (2) Provide a framework for management of the wilderness area.

Your Committee received written comments in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources. Your Committee received comments on this measure from The Nature Conservancy; and Abbey S. Mayer, Vice President, Government Relations, The Resort Group-Honolulu-based.

Your Committee finds that the wilderness area in the culturally and historically rich south Kona area has limited development and significant archeological sites that warrant protection and preservation.

Your Committee has amended this measure by:

- (1) Providing for the preservation of the biological aspects of the lands in the south Kona wilderness area;
- (2) Clarifying that the limited access permitted to the south Kona wilderness area is for non-vehicular access;
- (3) Deleting specific reference to camping from the list of recreational activities for which limited non-vehicular access may be permitted;
- (4) Clarifying which lands within Kaulanamauna and Manuka are to be included within the south Kona wilderness area;
- (5) Authorizing the Department of Land and Natural Resources to acquire private lands within the south Kona wilderness area by donation;
- (6) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and

- (7) 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. 1154, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1154, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 784 Ways and Means on S.B. No. 809**

The purpose and intent of this measure is to address the University of Hawaii's capital facility needs by authorizing the University to issue additional revenue bonds to finance the construction and maintenance of capital improvement projects.

Your Committee received written comments in support of this measure from Howard Todo, Vice President for Budget & Finance/Chief Financial Officer, University of Hawaii System.

Your Committee finds that Act 161, Session Laws of Hawaii 2007, as amended by Act 94, Session Laws of Hawaii 2009, authorized the University of Hawaii to issue a total of \$200,000,000 in revenue bonds for the construction and maintenance of facilities. This measure responds to the University's request for additional financing through revenue bonds to complete needed construction, renovation, and repair projects on its facilities.

Your Committee has amended this measure by:

- (1) Changing the revenue bonds authorization and appropriations therefrom to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 809, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 785 (Majority) Ways and Means on S.B. No. 367**

The purpose and intent of this measure is to establish a regulatory structure for the placement, operation, and possible acquisition of an undersea high-voltage electric transmission cable system that will transmit electricity generated at renewable energy facilities to other islands of the State.

Written comments in support of this measure were submitted by Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism; Jeffrey T. Ono, Executive Director, Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; and Robbie Alm, Executive Vice President, Hawaiian Electric Company. Sally Kaye and Beverly Zigmund submitted comments in opposition to this measure. Comments on this measure were submitted by Carlito P. Caliboso, Chairman, Public Utilities Commission, Department of Budget and Finance; and the Office of Hawaiian Affairs.

The ability to generate large amounts of electricity from renewable resources and transmit that electricity to major load centers throughout the State is crucial to making Hawaii less dependent on imported fossil fuel energy sources and promoting environmental preservation. Your Committee finds that it is necessary to regulate a cable system operator as a public utility, and this measure will provide a regulatory structure, administered by the Public Utilities Commission, for the placement and use of an undersea interisland electric transmission cable and for the construction and use of the necessary on-island transmission infrastructure. Your Committee further finds that this regulatory framework is necessary for the Public Utilities Commission to oversee cost recovery from ratepayers for the use of the undersea cable system; and, if necessary, the acquisition of the cable system by an electric utility. Your Committee believes that this measure will encourage development of the undersea cable system, by allowing for reasonable cost recovery if the cable system is not completed, as determined by the Public Utilities Commission.

Your Committee has amended this measure by:

- (1) Incorporating language suggested by the Division of Consumer Advocacy that would allow a wider variety of offsets, such as federal funds, to be taken into account when calculating an electric utility company's net investment;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making numerous 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. 367, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 367, S.D. 3.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (English, Fukunaga, Ryan). Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 786 Ways and Means on S.B. No. 1214**

The purpose and intent of this measure is to promote development of hydropower facilities throughout the State by authorizing the issuance of special purpose revenue bonds for Pacific Power and Water Company, Inc.

Your Committee received comments in support of this measure from Patrick Sullivan, Chairman, Pacific Power & Water Company, Inc.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that hydropower facilities will reduce the State's reliance on imported fossil fuel, generate revenue for dam maintenance and repair, and generate jobs in the renewable energy sector.

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. 1214, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1214, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Kouchi, Tokuda).

**SCRep. 787 Ways and Means on S.B. No. 615**

The purpose and intent of this measure is to increase access to infertility procedures by requiring insurance coverage for infertility treatment procedures other than in vitro fertilization.

The measure also removes the current requirement that recipients of covered infertility treatments be married.

Your Committee received comments in support of this measure from the American Society for Reproductive Medicine; Dr. Philip I. McNamee, Practice Director, Pacific In Vitro Fertilization Institute; Dr. LeighAnn C. Frattarelli, MPH; and one individual.

Your Committee received comments in opposition to this measure from Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Service Association; Hawaii Association of Health Plans; and Dr. Benton Chun.

Your Committee received comments on this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; and one individual.

Your Committee finds that there are numerous effective and safe procedures to treat infertility, including in vitro fertilization and other newer procedures. Your Committee further finds that requiring insurers to cover these procedures will provide childless couples with more options for having children.

Your Committee has amended this measure by:

- (1) Replacing the requirement that infertility treatment procedures covered by insurance be performed at medical facilities that are members of the Society of Assisted Reproductive Technologies with the requirement that the procedures be performed at medical facilities that conform to the American Congress of Obstetricians and Gynecologists guidelines or to the American Society for Reproductive Medicine minimal standards; 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 S.B. No. 615, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 615, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kim, Slom).

**SCRep. 788 Ways and Means on S.B. No. 1120**

The purpose and intent of this measure is to expand experiential learning initiatives in science, technology, engineering, and math (STEM) fields and creative media for students and teachers by appropriating funds for various related programs.

This measure also requires various entities to annually submit a joint report to the Legislature and the Governor regarding student participation and outcomes in STEM initiatives and projections of workforce needs for emerging industries.

Your Committee received written comments in support of this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism. Written comments were received from Linda K. Johnsrud, Executive Vice President for Academic Affairs and Provost, University of Hawaii.

Your Committee finds that STEM education plays a vital role in determining the State's ability to respond to emerging and high-growth industries. Along with providing funding for STEM learning initiatives, this measure requires the reporting of data that will facilitate the alignment of these initiatives with Hawaii's workforce needs in related industries.

Your Committee has amended this measure by:

- (1) Rephrasing the appropriation in section 2 to comport with standard drafting conventions;
- (2) Clarifying that the various STEM demonstration stakeholders shall provide outcome measures to the Legislature;
- (3) Clarifying that the first report required of:
  - (A) The University of Hawaii and the Economic Development Alliance of Hawaii, Inc., regarding STEM initiatives; and

(B) The Department of Business, Economic Development, and Tourism regarding projections of workforce needs in emerging industries in defense and other high technology industries;

shall be due to the Governor and the Legislature by December, 2011;

- (4) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; 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 is in accord with the intent and purpose of S.B. No. 1120, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1120, S.D. 2.

Signed by the Chair on behalf of the Committee.  
 Ayes, 13. Noes, none. Excused, 1 (Kidani).

**SCRep. 789 (Majority) Ways and Means on S.B. No. 935**

The purpose and intent of this measure is to maintain adequate funding levels of programs for public health, safety, welfare, and education by appropriating funds from the emergency and budget reserve fund.

Your Committee received comments in support of this measure from Rodney A. Maile, Administrative Director, The Judiciary of the State of Hawaii; Waynette K.Y. Cabral, Executive Administrator, State Council on Developmental Disabilities; Samuel E.H. Moku, Director, Department of Community Services, City and County of Honolulu; Robert Peters, Chair, Early Learning Council; Richard P. Bettini, President and Chief Executive Officer, Waianae Coast Comprehensive Health Center; Ivalee Sinclair, Chair, Special Education Advisory Council; Louis Esteschnik, Hawaii Disability Rights Center; Stella Wong, Vice President of Programs, Catholic Charities Hawaii; Nalani Fujimori Kaina, Executive Director, Legal Aid Society of Hawaii; Lehua Ka'auwai-Krueger, General Manager, About Face Family of Programs; Katherine E. Murphy, Executive Director, Hawaii Association for the Education of Young Children; Sandra J. Yoro, Executive Director, Special Education Center of Hawaii; Elisabeth Chun, Executive Director, Good Beginnings Alliance; Beth Giesting, Chief Executive Officer, Hawaii Primary Care Association; Dee Jay Mailer, Chief Executive Officer, Kamehameha Schools; Anastasia Keller-Collins, Vice President of Program Development, Easter Seals Hawaii; Jan E. Dill, President, Partners in Development Foundation; Rebecca Sanada-McGuire, President, Hawaii Baptist Early Education Association; Paul Goresbeck, Executive Director, Life Foundation; Jaque Kelley-Uyeoka, Deputy Chief Executive Officer, Hale Kipa; Liane K. Akana, Executive Director, Read to Me International; and five individuals.

Your Committee received comments on this measure from Patricia McManaman, Interim Director, Department of Human Services.

Your Committee finds that the current difficult economic times and declining tax revenues have resulted in budget cuts that affect all state services. As a result, the social safety net for basic human services, health, and education is in jeopardy and families that live closest to the poverty line will suffer greater than more affluent families. Your Committee further finds that it is critical that the State make appropriations to provide adequate funding for services and programs that address the vital needs of Hawaii's most vulnerable citizens.

Your Committee has amended this measure by:

- (1) Changing all appropriations to unspecified amounts;
- (2) Adding appropriations for the following entities and programs:
  - (A) Life Foundation, for HIV/AIDS related services;
  - (B) Gregory House Programs, for HIV/AIDS related services;
  - (C) Community Health Outreach Work to Prevent AIDS Project, for HIV/AIDS related services;
  - (D) Baby S.A.F.E., for the substance abuse free environment program;
  - (E) Fetal alcohol spectrum disorders;
  - (F) Family planning;
  - (G) Perinatal health programs;
  - (H) Preschool developmental screening program;
  - (I) Tutu and Me Traveling Preschool program;
  - (J) Oahu About Face Family of Programs;
  - (K) Read To Me International Foundation, for reading programs for children of incarcerated parents; and
  - (L) Hawaii Primary Care Association, for health care services for uninsured persons;
- (2) Deleting appropriations for Kapahulu Center and Moilili Community Center;
- (3) Correcting a reference to reflect the appropriate section of the Hawaii Revised Statutes;
- (4) Correcting the names of various entities to reflect their legal names;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (6) 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. 935, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 935, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 790      Ways and Means on S.B. No. 608**

The purpose and intent of this measure is to:

- (1) Authorize the Department of Land and Natural Resources to consider the exchange of parcels in Sand Island Industrial parcels to leaseholders; and
- (2) Require a report of its findings and recommendations to the Legislature.

Your Committee received written comments in support of this measure from Ideal Construction Inc; Projects Plus Inc.; Walter Y. Arakaki, General Contractor; Rolloffs Hawaii; Tomco Corp.; Pine Enterprises Inc.; Kula Sand, LLC; Commercial Electric, Inc.; Structural Systems, Inc.; Robert M. Kaya Builders, Inc.; SSNR, LLC; Reynolds Recycling; S and M Welding Co. Ltd; Sonny's Service and Repair Inc.; M. Nakai Repair Service Ltd.; R.K. Oshiro Door Service, Inc.; Rons Construction Corporation; Alfred I. Castillo, LLC; Ocean Seafoods; Bob Sakamoto Welding; Liu Holding Company Inc.; Certified Construction Inc.; JM International, LLC; Hawaii Painting and Wallcovering, Inc; Downstream Inc.; CC Engineering and Construction, Inc.; S and M Welding Co., Ltd.; Island Movers; Matt's Transmission Repair; Wong's Meat Market, Ltd.; NJB, LLC; Green Thumb Incorporated; Commercial Electric, Inc; Mitsunaga Construction, Inc; Kamaaina Roofing LLC; Reliable Fire Protection, Inc.; Dorvin D. Leis Co. Inc; Ikaika Builders, Inc.; Tajiri Demolition and Disposal LLC; Eagle Construction Co.; RSI Roofing and Building Supply; Economy Plumbing and Sheet Metal, Inc.; LK Takamori, Inc.; Imua Sales and Service Inc.; and five individuals. Your Committee received comments on the measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee finds that in 1992, the Department of Land and Natural Resources entered into a fifty-five year lease with the Sand Island Business Association for the seventy-four acre Sand Island Industrial Park. The Sand Island Business Association, which developed the infrastructure, subleased the lots, and took over management of the park, completed more than \$41,000,000 in infrastructure improvements. The members of the association invested an additional \$20,000,000 in leasehold improvements to individual lots. As a result of these substantial investments, members of the Sand Island Business Association are interested in purchasing fee title to the lands.

Authorizing the Department of Land and Natural Resources to consider the exchange of Sand Island parcels to leaseholders will encourage the department to decide whether it is in the State's best interest to execute a land exchange or retain the fee title to certain Sand Island parcels.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 608, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 608, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Tokuda).

**SCRep. 791      Ways and Means on S.B. No. 142**

The purpose and intent of this measure is to protect Hawaii's water resources by establishing safeguards and mechanisms to preserve and maintain the State's dams and reservoirs.

Specifically, the measure:

- (1) Statutorily declares dams and reservoirs as important water resources that provide significant benefits to the public;
- (2) Requires the Board of Land and Natural Resources, in administering the Dam and Reservoir Safety Program, to consider the need to consistently maintain and operate dams and reservoirs in a feasible manner to sustain their roles as important water resources for the State;
- (3) Clarifies that fees charged by the Board of Land and Natural Resources to cover its costs in administering dam and reservoir safety are to cover a portion of those costs;
- (4) Requires the Board of Land and Natural Resources to consider a lower hazard potential classification for dam or reservoir operations systems that enable the direct control of water inflow; and
- (5) Requires the Department of Land and Natural Resources to include, in its annual report on dams and reservoirs to the Governor and the Legislature, initiatives implemented to ensure that dams and reservoirs continue to be retained and operated in a feasible manner that sustains their roles as important water resources.

Your Committee received written comments in support of this measure from Hawaii Farm Bureau Federation; Maui County Farm Bureau; Paul Oshiro, Manager - Government Relations, Alexander and Baldwin, Inc.; and Land Use Research Foundation of Hawaii.

Your Committee received written comments in opposition to this measure from ILWU Local 142.

Your Committee received written comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; and the Office of Hawaiian Affairs.

Your Committee finds that in addition to serving Hawaii's agricultural industry, dams and reservoirs also benefit the general public by providing drinking water, renewable energy through hydropower, and flood control and drainage for public safety. By recognizing that the maintenance of dams and reservoirs must be feasible for them to remain in operation, this measure enables the Board of Land and Natural Resources to give due consideration to the critical importance of dams and reservoirs to the State in its administration of the dam and reservoir safety program.

Your Committee has amended this measure by:

- (1) Eliminating the provisions that:
  - (A) Require the Board of Land and Natural Resources to consider a lower hazard potential classification for dam or reservoir operations systems that enable the direct control of water inflow; and
  - (B) Require the Department of Land and Natural Resources to include, in its annual report on dams and reservoirs to the Governor and the Legislature, initiatives implemented to ensure that dams and reservoirs continue to be retained and operated in a feasible manner that sustains their roles as important water resources;
- (2) Rephrasing and reorganizing the statutory declaration that dams and reservoirs are important water resources and establishing the Board of Land and Natural Resources' duty to maintain and operate them in a feasible manner, provided that public safety concerns are addressed; and
- (3) Changing 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 S.B. No. 142, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 142, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 792 (Majority) Ways and Means on S.B. No. 1324**

The purpose and intent of this measure is to make permanent the amount of \$3 a day as the rental motor vehicle surcharge tax. This measure also appropriates moneys from the state highway fund for the state highways program.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that without this measure, the rental motor vehicle surcharge tax will revert to \$2 per day after August 31, 2011. A reversion to this tax rate will result in a loss of about seven per cent of the total revenues of the fund, which will adversely impact the state highway system by reducing funding for necessary repairs and maintenance. Retaining the existing surcharge amount of \$3 per day is needed to maintain the revenue stream to the state highway fund.

Your Committee has amended this measure by:

- (1) Changing the surcharge tax to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1324, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1324, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 2 (Kidani, Kouchi).

**SCRep. 793 (Majority) Ways and Means on S.B. No. 1520**

The purpose and intent of this measure is to provide a process for the reorganization of a first nation government by native Hawaiians and its subsequent recognition by the State.

More specifically, this measure establishes a process for recognition and ratification of governing documents and an interim first nation governing council. The measure also establishes a nine-member commission to prepare, maintain, and certify a roll of qualified native Hawaiian constituents.

Your Committee received written comments in support of this measure from Kitty M. Simonds, President, Maunaloa Hawaiian Civic Club; and Vanda Hanakahi, Chair, Aha Kiolo Advisory Committee. Your Committee received written comments in opposition to this measure from The Hawaiian Kingdom; Ehu Kekahu Cardwell, Director, The Koani Foundation; KeAloha Aiu Aloha Aina Foundation; and twenty concerned individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee notes that this measure is intended to address the State's response to Congress's continued deliberation regarding the Native Hawaiian Government Reorganization Act.

Your Committee has amended this measure by:

- (1) Adding language that explicitly administratively attaches the commission to the Governor's office;



- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; 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. 1520, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1520, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Slom). Excused, none.

**SCRep. 794 (Majority) Judiciary and Labor on S.B. No. 298**

The purpose and intent of this measure is to establish an organizational and regulatory framework for sustainable business corporations.

Your Committee received testimony in support of this measure from Hawaii Angels, Kuleana Green Business Program of the Kona-Kohala Chamber of Commerce, American Sustainable Business Council, GreenCar Hawaii, The Chamber of Commerce of Hawaii, HonuGuide, and seven private individuals. Your Committee received testimony in opposition to this measure from the Commissioner of Securities of the Business Registration Division of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from The Hogan Entrepreneurs of Chaminade University and two private individuals.

Your Committee finds that under general principles of corporate organization, the directors of a corporation have an enforceable duty to maximize shareholder profit. Your Committee further finds that this duty may prevent entrepreneurs and investors from achieving their own goals of establishing and investing in private enterprises that exist to serve social or environmental purposes in addition to pursuing profits. Your Committee notes that several other states have responded to market demand for a voluntary corporate designation that allows enterprises to pursue good corporate citizenship by authorizing the formation of corporate entities that may be governed according to principles other than pure profit motive.

Your Committee notes the objections raised in the testimony of the Securities Commissioner to certain provisions of this measure as it was received by your Committee. Your Committee notes that the Securities Commissioner expressed reservations about the impact of this measure on the registry of the Business Registration Division, the elimination of directors' and officers' fiduciary duties, and ambiguity in the shareholders' right to enforce corporate fiscal responsibility by this measure's substitution of an undefined benefit enforcement procedure for the normal shareholder and director right of action with respect to enforcing a director's fiduciary duty.

Accordingly, your Committee has amended this measure by:

- (1) Deleting provisions pertaining to benefit enforcement proceedings;
- (2) Inserting definitions of "material owner" and "material relationship" to clarify the meaning of those terms as used within this measure;
- (3) Clarifying the process for designating a corporation as a sustainable business corporation in a manner that does not disrupt the existing business registry of the Business Registration Division;
- (4) Clarifying the mandatory and discretionary components of the standard of conduct, the fiduciary duty, and personal liability of the directors and officers of a sustainable business corporation;
- (5) Deleting provisions granting immunity from personal liability to the benefit director or third parties who perform the duties of the board of directors and officers;
- (6) Clarifying that the shareholders and directors of a sustainable business corporation shall have the same right of action as the shareholders and directors of any domestic corporation plus an additional right of action to enforce the general and specific public benefit purpose of the sustainable benefit corporation;
- (7) Clarifying the requirements for the third party standard that shall be used to define, report, and assess overall corporate social and environmental performance of a sustainable business corporation;
- (8) Clarifying that the duties of the Business Registration Division in regard to filings made by a sustainable business corporation shall be ministerial only, consistent with the duties of the Business Registration Division in regard to filings made by any other domestic corporation;
- (9) Removing provisions relating to the State's representation regarding the accuracy of a sustainable benefit corporation's annual filings;
- (10) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (11) 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 298, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 298, S.D. 3.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 795 Judiciary and Labor on S.B. No. 591**

The purpose and intent of this measure is to require registration and regulation of pharmacy benefit management companies including periodic audits of pharmacies that submit claims to pharmacy benefit management companies.

Your Committee received testimony in support of this measure from six private individuals. Your Committee received testimony in opposition to this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs; Express Scripts; Medco Health Solutions, Inc.; Hawaii Medical Service Association; Pharmaceutical Care Management Association; CVS Caremark Corporation; and 'Ohana Health Plan.

Your Committee finds that pharmacy benefit management companies play a growing role in the provision of health insurance coverage for prescription drugs but are currently unregulated by any state entity. Your Committee further finds that requiring registration of pharmacy benefit management companies will allow the State to exercise some degree of oversight over these companies to ensure the health and safety of Hawaii's residents.

Your Committee notes the concerns regarding certain provisions of this measure that were raised in the testimony of pharmacy benefit managers, health insurers, and the Insurance Commissioner. Your Committee further notes that these stakeholders engaged in sincere efforts to communicate with the proponents of this measure and your Committee to address concerns and to reach consensus on amendments to this measure.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with language that:

- (1) Requires registration of a pharmacy benefit management company with and subsequent annual statements filed with the Insurance Commissioner;
- (2) Establishes certain standards and criteria for the conducting of audits of pharmacies by managed care companies, insurance companies, third-party payers, or the representatives of these entities, which will help to enforce existing regulatory standards for providers of prescription drugs as well as supplement the new regulations created by this measure;
- (3) Prohibits certain actions by a pharmacy benefit management company, including actions that limit consumer protection or a patient's method of obtaining prescription medications;
- (4) Authorizes the Insurance Commissioner to assess fines for violations of the new chapter established pursuant to this measure and authorizes appeals of certain decisions made by the Insurance Commissioner;
- (5) Requires a pharmacy benefit management company contracting with an entity to provide prescription drug coverage to provide an annual report, which shall include information regarding the number and total amount paid to pharmacies for prescriptions filled under the contract, as well as other information regarding fulfillment of the contract;
- (6) Mandates that pharmacy benefit management companies shall provide to pharmacies that contract with the pharmacy benefit management company the methodology that the pharmacy benefit management company uses to determine reimbursement, as well as other disclosures related to payment of the pharmacy by the pharmacy benefit management company; and
- (7) Mandates disclosures to enrollees that include a list of the names and locations of all affiliated providers, the method of resolving complaints of covered persons, and notice that the pharmacy benefit management company is required to be registered in the State by the insurance commissioner.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 591, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 591, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Shimabukuro).

**SCRep. 796 Human Services on Gov. Msg. No. 509**

Recommending that the Senate advise and consent to the nominations of the following:

**DIRECTOR OF THE DEPARTMENT OF HUMAN SERVICES**

G.M. No. 509 PATRICIA MCMANAMAN, for a term to expire December 1, 2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Patricia McManaman to possess the requisite qualifications to be nominated as Director of Human Services.

Your Committee received testimony in support of the nomination of Patricia McManaman from the Governor of the State of Hawaii; Hawaii Public Housing Authority; Hawai'i Civil Rights Commission; Healthcare Association of Hawaii; Adult Foster Homecare Association of Hawaii; The Primary Care Providers; Mental Health America of Hawai'i; Child Welfare Services State Advisory Council; Child & Family Service; Parents and Children Together; Inter-Agency Council for Immigrant Services; Hawaii Long Term Care Association; Lanakila Pacific; Aloha United Way; Goodwill Industries of Hawaii, Inc.; The Mediation Center of the Pacific, Inc.; YMCA of Honolulu; Catholic Charities Hawai'i; Pacific Gateway Center; Partners in Development Foundation; Filipino Coalition for Solidarity; Hawai'i Friends of Civil Rights; Hawai'i Women's Political Caucus; Congress of Visayan Organizations; Filipino Chamber of Commerce of Hawai'i; Oahu Filipino Community Council; Hawaii State Coalition Against Domestic Violence; Domestic Violence Action Center; Women Helping Women; UNITE HERE! Local 5 Hawaii; International Longshore and Warehouse Union Local 142; The Law Office of Tony Tran, LLLC; Hirota & Associates, LLLC; Law Offices of Joyce K. Matsumori-Hoshijo; and forty-four individuals. Your Committee received comments on this measure from the Hawai'i Primary Care Association.

Upon review of the testimony, your Committee finds that Ms. McManaman's extensive experience, demonstrated leadership abilities, commitment to serving underserved and underrepresented members in the community, compassion, and personal integrity qualify her for the position of Director of Human Services.

Ms. McManaman brings to the Department of Human Services over thirty years of public service for Hawaii's working class, low-income, and immigrant communities, a deep understanding of the non-profit community, a commitment to civil rights, and

experience as an attorney. Throughout Ms. McManaman's career, she has provided services as a de facto case manager, outreach worker, informal counselor, community advocate and planner, activist, and administrator. Her clients have included the homeless, public housing tenants, persons with physical and mental disabilities, domestic violence and human trafficking victims, immigrants and citizens, felons, and other disenfranchised members of the community.

During Ms. McManaman's tenure as the Executive Director of Na Loio – Immigrant Rights and Public Interest Legal Center, she addressed systemic issues that impacted the Department of Human Services. In 2006, she was a key player in the development of Act 290, Session Laws of Hawaii 2006, which led to the creation of the Office of Language Access - a guiding force in ensuring equal access to state-funded services for Hawaii's limited English-speaking residents.

Immediately upon her appointment as Interim Director of Human Services in December 2010, Ms. McManaman and the Department of Human Services were compelled to make some very difficult decisions in the Temporary Assistance for Needy Families program. The cost savings initiatives were undertaken in direct response to shortfalls in the Temporary Assistance for Needy Families budget for the 2011 fiscal year. Ms. McManaman made the decision to terminate contracts for worthy non-profit service providers and seek an emergency appropriation to offset the Department of Human Services' cost overruns. According to testimony received by your Committee, Ms. McManaman dealt with the providers and communities affected by the Temporary Assistance for Needy Families cuts with compassion, honesty, and forthright conversations.

Your Committee also finds that the last few years have presented some of the most challenging times ever experienced by the Department of Human Services. The Department has had to deal with budget cuts, lack of funding, furloughs, reductions-in-force, retirements, higher caseloads, decreased services, and poor morale amongst staff. However, in Ms. McManaman's short time with the Department, she has been proactive and understanding of the multitude of issues faced by the Department. She has demonstrated the ability to listen to concerns and has provided recommendations on how to move the Department forward.

Your Committee notes from Ms. McManaman's testimony that in these challenging economic times, Ms. McManaman believes the Department of Human Services must return to its core mission of providing essential services for Hawaii's low-income and vulnerable residents. These economic challenges also give rise to opportunity. Going forward, the Department will be working with the community to identify, create, and implement services and programs that will best address the current needs of Hawaii's diverse communities.

Your Committee finds that, based on the testimony submitted, Ms. McManaman is uniquely qualified to serve as the Director of Human Services. Her past positions demonstrate her knowledge and ability to run an agency. Her leadership qualities foster collaboration, partnership, and engagement of the community, service providers, and Department of Human Services staff. Your Committee believes that Ms. McManaman's expertise, leadership, honesty, intelligence, and commitment to the public good will serve the State and the Department of Human Services well.

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. 797 Energy and Environment on Gov. Msg. Nos. 524 and 526**

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR FOR THE OFFICE OF ENVIRONMENTAL QUALITY CONTROL

G.M. No. 524 GARY HOOSER, for a term to expire 6-30-2011; and

G.M. No. 526 GARY HOOSER, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Gary Hooser to possess the requisite qualifications to be nominated as Director of the Office of Environmental Quality Control (OEQC).

Your Committee received testimony in support of the nomination of Gary Hooser from Gary L. Gill, Department of Health; Bernard P. Carvalho, Jr., Mayor, County of Kauai; Tim Bynum, Councilmember, Kauai County Council; The Trust for Public Land; Unite Here, Local 5 Hawaii; Alan Johnson, Hina Mauka; Randy Perreira, Hawaii Government Employees Association; Amy Agbayani, Hawaii Friends of Civil Rights; Marjorie Ziegler, Conservation Council for Hawai'i; Al Lardizabal, Hawaii Laborers' Union; Kristeen Hanselman, University of Hawaii Professional Assembly; Hawaii Carpenters Union; John White, The Pacific Resource Partnership; The Nature Conservancy of Hawai'i; Will Okabe, Hawaii State Teachers Association; University of Hawai'i, Water Resources Research Center and Environmental Center; Robert D. Harris, Sierra Club, Hawai'i Chapter; Jeff Mikulina, Blue Planet Foundation; Mark Duda, Hawaii Solar Energy Association; Robert King, Pacific Biodiesel, Inc.; Chipper Wichman, National Tropical Botanical Garden; Sheldon Char, Keahole Solar Power; Nadine K. Nakamura, NKN Project Planning; Shawn James Leavey, Moku Power; Michael Kliks, Hawaii Beekeepers' Association; Dawn Morais Webster, Ph.D., Loomis-ISC; Herman Tuiolosega; Maya Soetoro-Ng; Barbara Robeson; Alfred Laureta; Denise Antolini; Melissa Pavlicek; Sherrian Witt; Lance Holter; Andrew Winer; William Sager; Linda Wong; Karen Chun; Helen Nielsen; Faye Kennedy; John Webster; Evan R. Shirley; Juanita Mahienaena Kawamoto Brown; Scott Glenn; Anthony Aalto; Dr. Phil Barnes; Anita Glass; Amarisa Marie; Josh Stanbro; Debbie Hecht; Peter Ehrhorn; David Hamil; Janet Gillmar; L. Michael Klungness; Thomas T. Shirai, Jr.; Dorothy I. Cornell; Ann Fielding; Janice Palma-Glennie; Penny Levin; Mary Steiner; Dr. Michael Christopher; Beryl Blaich; Margery Freeman; Pat L. Griffin; Dr. Gail L. Grabowsky; Thomas and Lucinda Whittemore; Keiko Bonk; Edward Mersereau; Megan Deets; Ku'ulei A. Kiliona; Dante K. Carpenter; Mary A. Wilkowski, Esq.; David Henkin; Joshua R. Frost; Jonathan Starr; Choon James; Leslie Segundo; Arvid Tadao Youngquist; and Dr. Robert A. Zelkovsky.

Gary Hooser served as the Senator for the 7th Senatorial District representing the areas of Kauai and Niihau for eight years from 2002 until 2010. From 2006 to 2010 he served as the Hawaii State Senate Majority Leader. While a Senator, Mr. Hooser served as the Vice-Chair for the Senate Committee on Energy and the Environment and as the Vice-Chair for the Senate Committee on Education. He also served as a member of the Senate Committees on Ways and Means, Human Services, Transportation, and Land and Water. From 1998 to 2002, Mr. Hooser served on the Kauai County Council where he chaired the Committees on Economic Development and Public Safety, and Energy and the Environment. While a member of the Council, he also served on the Council's Committees on Finance, Planning, Parks, and Public Works. Prior to, and concurrent with, his public service on the Kauai County Council, Mr. Hooser was the founder and principal broker for Wai'oli Properties, Inc. and a founder and partner of H & S Publishing. Mr. Hooser received a Bachelor of Arts in Public Administration from the University of Hawai'i, West Oahu.

Mr. Hooser's experience in the field of environmental protection began with over thirty years of living, working, and raising his family on Kauai, during which time he developed an awareness of the value and sensitivity of the natural environment as he witnessed the impacts of runoff ruining the reefs and restricted beach access. As a private citizen, a member of the Kauai County Council, and a State Senator, Mr. Hooser has been involved in many issues pertaining to environmental protection including mandating solar hot water heaters on new construction, public access to coastal or inland public areas, and green house gas emissions. He has served on Energy and Environment Committees at the County Council level and in the State Senate, and his legislative track record over the past twelve years has been dominated by issues involving environmental protection, energy, and sustainability.

In Mr. Hooser's response to your Committee's question regarding how the OEQC's strengths may be best utilized and how the OEQC's weaknesses may be improved, Mr. Hooser replied that the existing staff has tremendous institutional knowledge and that they are committed to doing the best job they can do despite the limited resources that have been provided. Mr. Hooser stated that the OEQC's weaknesses are mostly centered on a lack of adequate resources. Mr. Hooser's immediate assessment of the OEQC is that in order for it to adequately fulfill its existing legislative mandates, the Office is in need of at least one more planner, an additional administrative support person, and an extensive upgrade to its technical information technology capacity. Mr. Hooser also intends to utilize University of Hawaii interns for research and grant-writing projects.

In Mr. Hooser's response regarding his overall vision for the OEQC, he states that his vision would be determined and finalized through a process involving OEQC staff and Environmental Council members that begins with fulfilling the mandates spelled out in chapters 341 and 343, Hawaii Revised Statutes, including managing the Environmental Assessment and Environmental Impact Statement processes, providing education and outreach about the process to stakeholders around the State, eliminating the backlog of exemption list reviews and rule amendments that now exist; publishing an "Annual Report on Hawaii's Environment", and being the public's voice for the environment, including legislative advocacy, education, and being a complaint repository. Mr. Hooser plans to develop a questionnaire for stakeholders designed to discover what the principal troubles and shortcomings of the process are as it stands now and to use the information to improve the OEQC's operations. Mr. Hooser plans to set annual benchmarks that would be a part of OEQC's strategic plan, included in its first annual report, and updated annually thereafter. Mr. Hooser hopes that at the end of four years, the OEQC will be fulfilling its legal responsibility in a robust and professional manner, utilizing modern technology and best practices as recognized around the world. Mr. Hooser believes that the ultimate measure of success would be the quality of Hawaii's natural environment, but intends to develop internal indicators from an agency's and applicant's perspective, as to the overall management and success of the Environmental Assessment and Environmental Impact Statement processes.

When asked about the OEQC's top budgetary priority for the biennium, Mr. Hooser responded that the top budgetary priority is passage of Senate Bill No. 699, stating that the bill's passage is essential for the Office to have a budget sufficient for basic operations including the proper review and comment of existing environmental review documents, support for the Environmental Council, education and outreach, and annual reporting requirements. He believes that with the passage of Senate Bill No. 699, there will be the potential to add one additional planner, additional administrative support, and a long overdue and much needed improvement of the information storage and delivery system. Mr. Hooser pointed out in his oral testimony that a long list of the OEQC's legal mandates remains unfulfilled due to a lack of resources.

When asked for an assessment of the OEQC staff's morale, Mr. Hooser responded that he believes that, considering the declining resource base and various issues and challenges that have confronted the Office in the past, staff morale is surprisingly good. In his oral testimony, Mr. Hooser acknowledged that there have been morale issues in the past and that he feels some of the issues stemmed from the staff feeling that they were second class citizens due to a lack of overall support. As Interim Director, Mr. Hooser has been holding weekly staff meetings in an effort to coordinate the Office and reinstate its sense of purpose.

Several statements made in his oral testimony indicated Mr. Hooser's particular aptitude for the job before him. Mr. Hooser cited the findings and purpose section of chapter 341, Hawaii Revised Statutes, bringing attention to the Legislature's finding that the environment of the State is as important as the economy of the State and commented on the strength and significance of that finding, noting that when it comes to the environment one rarely gets a second chance. He showed a clear and accurate understanding of how the OEQC works in conjunction with the Environmental Council. He stated that businesses in the State need certainty when it comes to the environmental review process and that he would strive to take the mystery out of the process. He stated that if the environmental review process is executed correctly there would be no need for bills that provide exemptions from the process. When asked about his advocacy and position regarding the Superferry issue, Mr. Hooser responded that his concern pertained to deviating from the law and the resulting process, and that had the law been followed correctly there would not have been a problem. Mr. Hooser stated that as the Director of OEQC his chief concern would be to follow the law.

Your Committee finds that Mr. Hooser has been a principled advocate for the environment and that he couples that advocacy with a sense of balance as it relates to economic concerns. His experience doing business in the private sector has made him keenly aware of the many diverse issues related to the administration of environmental legislation. Throughout his years in public service Mr. Hooser has proven to be an adaptable and creative problem solver while staying firm in his core beliefs regarding environmental protection.

Your Committee believes that Mr. Hooser will bring to the OEQC organizational, communication, and team-building skills that will raise the morale and efficiency of the Office to a level that will instill public confidence in the environmental review process that has heretofore been sorely lacking.

Your Committee commends Mr. Hooser for accepting the responsibilities and challenges of the Director of the Office of Environmental Quality Control, and for his commitment to those he serves.

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, 1 (English).

**SCRep. 798 (Majority) Energy and Environment on S.C.R. No. 13**

The purpose and intent of this measure is to urge the United States Congress to enact federal legislation to amend the Toxic Substances Control Act of 1976 in order to strengthen chemicals management.

Your Committee received testimony in support of this measure from Loretta Fuddy, Department of Health; and Arvid Youngquist, The Mestizo Association. Your Committee received testimony in opposition to this measure from the American Chemistry Council.

Your Committee finds that the Toxic Substances Control Act of 1976 was intended to authorize the United States Environmental Protection Agency to protect public health and the environment from toxic chemicals. However, in the thirty-five years since the enactment of that Act, the federal Environmental Protection Agency has required chemical companies to test only about two hundred of those chemicals for health hazards, has issued partial restrictions on only five chemicals, and has been unable to complete assessments for chemicals of the highest concern. Your Committee further finds that the Act has been widely recognized as being ineffective and obsolete due to legal and procedural hurdles that prevent the Environmental Protection Agency from taking quick and effective regulatory action to protect the public against well-known chemical threats. This measure aims to move the United States Congress to take action to remedy the ineffectiveness of this Act, which has fallen far short of its original intent of protecting the health and safety of many.

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 concurs with the intent and purpose of S.C.R. No. 13, as amended herein, and recommends that it be referred to the Committee on Public Safety, Government Operations, and Military Affairs, in the form attached hereto as S.C.R. No. 13, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 799 Energy and Environment on S.C.R. No. 15**

The purpose and intent of this measure is to convene a legislative task force to review best practices from other states in reducing noise pollution.

Your Committee received testimony in support of this measure from Loretta Fuddy, Department of Health; Thomas Smyth, Downtown Neighborhood Board No. 13, City and County of Honolulu; Louis Erteschik; Valere McFarland; and Linda Wong.

Your Committee finds that research has shown that exposure to constant or high levels of noise can cause numerous adverse health effects and that certain areas of the State have noise levels that may be high enough to cause these adverse effects. This measure will assist in defining solutions to these issues.

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 concurs with the intent and purpose of S.C.R. No. 15, 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. 15, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Green).

**SCRep. 800 Energy and Environment on S.R. No. 5**

The purpose and intent of this measure is to convene a legislative task force to review best practices from other states in reducing noise pollution.

Your Committee received testimony in support of this measure from Loretta Fuddy, Department of Health; Thomas Smyth, Downtown Neighborhood Board No. 13, City and County of Honolulu; Louis Erteschik; Valere McFarland; and Linda Wong.

Your Committee finds that research has shown that exposure to constant or high levels of noise can cause numerous adverse health effects and that certain areas of the State have noise levels that may be high enough to cause these adverse effects. This measure will assist in defining solutions to these issues.

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 concurs with the intent and purpose of S.R. No. 5, 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. 5, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Green).

**SCRep. 801 (Joint) Energy and Environment and Hawaiian Affairs on H.B. No. 1015**

The purpose and intent of this measure is to make an emergency appropriation out of the Brownfields Cleanup Revolving Loan Fund for the cleanup of a contaminated site.

Your Committees received testimony in support of this measure from Jesse K. Souki, Office of Planning, Department of Business, Economic Development, and Tourism, and Alapaki Nahale-a, Department of Hawaiian Home Lands.

Your Committees find that the Department of Business, Economic Development, and Tourism received a grant of \$2,000,000 from the United States Environmental Protection Agency for a Brownfields Cleanup Revolving Loan Fund program to cleanup contaminated sites. Funds under this grant must be disbursed by the end of fiscal year 2010-2011. The Department of Business, Economic Development, and Tourism executed a loan with the Department of Hawaiian Home Lands to cleanup a contaminated site in Kapolei. The federal funds must be disbursed to the Department of Hawaiian Home Lands in fiscal year 2010-2011, but the existing ceiling of the Brownfields Cleanup Revolving Loan Fund is \$1,000,000. This measure appropriates additional monies out of the Fund in order to complete the disbursement of federal funds to the Department of Hawaiian Home Lands in fiscal year 2010-2011.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1015, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (English, Green, Kidani).

**SCRep. 802 Water, Land, and Housing on S.C.R. No. 14**

The purpose and intent of this measure is to:

- (1) Disapprove the reset aside of approximately 6,600 acres of former Kulani Correctional Facility lands from the Department of Public Safety to the Department of Land and Natural Resources as an extension of Pu'u Maka'ala Natural Area Reserve; and
- (2) Disapprove the reset aside of approximately 600 acres of former Kulani Correctional Facility lands from the Department of Public Safety to the Department of Defense for a Youth Challenge Academy.

Your Committee received testimony in support of this measure from the 'Aha Kiolo Advisory Committee, Community Alliance on Prisons, Maunaloa Hawaiian Civic Club, and four individuals. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources; Sierra Club, Hawai'i Chapter; Conservation Council for Hawai'i; and fifteen individuals. Your Committee received comments on this measure from The Nature Conservancy, American Friends Service Committee, and four individuals.

Your Committee finds that the Kulani Correctional Facility provided economic and environmental benefits to the community. As a result of the closure of the prison, opportunities for rehabilitation through labor for inmates and partnerships for work in the community were lost. Your Committee believes that this measure takes a step toward realizing the benefits to the Island of Hawaii's economy and Hawaii's incarcerated population of the presence of a minimum-security prison facility located on the Island of Hawaii.

Your Committee understands the concerns of testifiers, many of whom opposed the transfer of the area set aside for the Pu'u Maka'ala Natural Area Reserve System to the Department of Public Safety. The Department of Land and Natural Resources intends to preserve this pristine forest area through a conservation designation. Moreover, the Department of Land and Natural Resources possesses knowledge and experience in dealing with endangered species, culturally significant areas, and enforcement of conservation regulations.

Accordingly, your Committee has amended this measure by:

- (1) Exclusively disapproving the reset aside of lands to the Department of Defense for a Youth Challenge Academy, and deleting all references to the disapproval of the reset aside of lands to the Department of Land and Natural Resources;
- (2) Identifying the Governor's Executive Order that reset aside 614.14 acres to the Department of Defense for the Youth Challenge Academy;
- (3) Requesting the Department of Defense, exclusively, to initiate a further review and assessment of the environmental and fiscal implications and benefits of the resetting aside of the 614.14 acres of lands to it; 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 Water, Land, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 14, as amended herein, and recommends that it be referred to the Committee on Public Safety, Government Operations, and Military Affairs, in the form attached hereto as S.C.R. No. 14, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Tokuda).

**SCRep. 803 (Majority) Commerce and Consumer Protection on Gov. Msg. No. 523**

Recommending that the Senate advise and consent to the nominations of the following:

PUBLIC UTILITIES COMMISSION

G.M. No. 523 HERMINA MORITA, for a term to expire 6-30-2014.

Your Committee received testimony in support of the nominee from the Speaker of the House of Representatives; a retired member of the House of Representatives; the Mayor of the County of Kaua'i; the Office of Economic Development of the County of Kaua'i; the Chair of the Honolulu City Council; the Chair of the Public Utilities Commission; the Office of Hawaiian Affairs; Enterprise Honolulu; The Hawaii Business League; the World Business Academy; Young Brothers, Limited; Hawaii Transportation Association; PAHIO Development, Inc.; Grove Farm Company, Inc.; Hawaii Energy Policy Forum; SolarCity; Hawaii Solar Energy Association; Hawaiian Electric Company, Inc.; Kauai Island Utility Cooperative; the Blue Planet Foundation; Castle & Cooke Renewable Energy; Hawaii Renewable Energy Alliance; Kairos Energy Capital LLC; The Solar Alliance; Hawai'i BioEnergy, LLC; Keahole Solar Power, LLC; The Gas Company; Tesoro Hawaii Corporation; Hawai'i Association of REALTORS; the ILWU Local 142; the International Union of Painters and Allied Trades, District Council 50; Hawaii LECET; Association of Hawaiian Civic Clubs; Rosehill & Associates; Haiku Design and Analysis; Better Place, Inc.; I Love Kalihi Valley; the Plumbers and Fitters Union, Local 675; and twenty-three private individuals. Your Committee received a written statement from the nominee.

Your Committee finds that this nominee is a proven leader and a recognized authority on energy and utility regulatory issues. Having served as Chair of the House Committee on Energy and Environmental Protection since 1999, the nominee has developed comprehensive knowledge of the issues involved in the State's energy market. Your Committee also finds that as a long-time advocate within the Legislature for renewable energy, the nominee has spearheaded innovative efforts to comply with the State's clean energy goals through introducing legislation and serving as an ex officio member of the Hawaii Energy Policy Forum. Your Committee further notes that many testifiers in support of the nominee acknowledged the nominee's fairness and openness in listening to and carefully considering the opinions and perspectives of others, including those with whom she may personally disagree, when making important policy decisions. Finally, your Committee finds the nominee has demonstrated a willingness and ability to educate herself on new issues and to seek out opportunities to learn from experts around her.

Your Committee notes that the Public Utilities Commission is currently going through a transition that involves implementing a legislatively-enabled staff reorganization and funding increase, the growing recognition of the Public Utilities Commission's vital role in the State's economic development, and a fundamental shift in the State's regulatory environment due to the transition to a renewable energy-based economy and the rapid development of some areas on the neighbor islands. Your Committee further notes that in the nominee's actions within the Legislature, she has always recognized the appropriate role of the Public Utilities Commission as a regulator and economic catalyst as well as the importance of supporting the Commission's reorganization and revitalization. Your Committee finds that the nominee has the requisite credibility, knowledge, and proactive leadership ability to allow the Commission to fulfill its duties of protecting the public interest while serving as a critical economic driver for the State. Finally, your Committee notes that, while not determinative of its decision to recommend the appointment of this nominee, the nominee's representation of the neighbor island community will be an important asset to the Public Utilities Commission, which has for too long lacked participation by Commissioners from outside of Oahu.

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, 1 (Slom). Excused, none.

**SCRep. 804 (Joint) Economic Development and Technology and Tourism on Gov. Msg. No. 506**

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR OF THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

G.M. No. 506 RICHARD C. LIM, for a term to expire December 1, 2014.

Your Committees have reviewed the personal history, resume, and statement submitted by the nominee and find Richard C. Lim to possess the requisite qualifications to be nominated as the Director of Business, Economic Development, and Tourism.

Your Committees received testimony in support of the nomination of Richard C. Lim from the Department of Business, Economic Development, and Tourism's Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, and Office of Planning; Academy for Creative Media, University of Hawai'i; Chair of the Honolulu City Council; Enterprise Honolulu; Kaua'i Economic Development Board, Inc.; Maui Economic Development Board, Inc.; APEC USA 2011 Hawai'i Host Committee; The Chamber of Commerce of Hawaii; Hawaii Venture Capital Association; Hawaii Medical Service Association; Hawaiian Electric Company, Inc.; The Gas Company; Blue Planet Foundation; Hawaii Aquaculture & Aquaponics Association; The AKAMAI Foundation; American Savings Bank; Territorial Savings Bank; CKWA Financial Group; Diamond Head Capital Partners, LP; House of Finance, Inc.; Kolohala Holdings, LLP; Pacific Access Mortgage LLC; RAY International LLC & Private Lending LLP; Tradewind Capital Group, Inc.; Aina Koa Pono, LLC; Data@Work; Better Place, Inc.; General Dynamics Advanced Information Systems, Kaua'i; Hoku Corporation; Inovi Group, LLC; Kairos Energy Capital LLC; Oceanit; PH Corporation; Pac-Tech Communications; Referentia; SEE/RESCUE Corporation; Alpha Capital Research, LLC; Castle & Cooke Hawai'i; C&C Farmlands LLC; Dana Fishing Company; Environmental Communications, Inc.; First Insurance Company of Hawaii, Ltd.; Guide Star Engineering, LLC; Hawaiian Host, Inc.; Hawaiian Organics; Konrad H. Ikei Consulting; Ikayzo, Inc.; Richard K. Ing; Iolani Sportswear, Ltd.; Island Insurance Companies; The Islander Group; MC&A Inc.; Navatek Ltd; New City Nissan/Rosebridge LLC; OmniTrak Group Inc.; Pacific Marine & Supply; Pahio Development, Inc.; ProPark, Inc.; RMY Construction, Inc.; RSI Roofing & Building Supply; RT LLC; Radcliffe & Associates, LLC; Regal Travel; St. Francis Healthcare System of Hawaii; Shioi Construction, Inc.; Sanford Murata, Inc.; Teralani Sailing Adventures; Travel Ways; C.S. Wo & Sons, Ltd.; Watumull Bros. Ltd.; Coldwell Banker Pacific Properties; Meridian Properties, Inc.; Prudential Advantage Realty; Haseko Homes, Inc.; Hawaiian Island Homes Ltd.; Alston Hunt Floyd & Ing; Bendet Fidell; Char Sakamoto Ishii Lum & Ching; Ching, Yuen & Morikawa; Steven Chung and Associates; Dwyer Schraff Meyer Grant & Green; Imanaka Kudo & Fujimoto; Price Okamoto Himeno & Lum; and forty individuals.

Richard C. Lim is the Managing Director and Co-Founder of Sennet Capital, LLC. He served as President of CityBank (Hawaii) from 1999 to 2004, where he was instrumental in leading the bank to focus on small business and emerging growth industries. Mr. Lim has also served as Executive Vice President of International Savings and President of International Holding Capital Corporation, the holding company for International Savings, and worked in various capacities for International Holding Capital Corporation, including Chief Credit Officer, Chief Lending Officer, Head of Branch Marketing and Operations, Head of Mortgage Banking, and Head of Marketing since 1976. He is the Former Publisher and Co-Founder of the Targeted Industries Growth Report ("TIGR Report"), a monthly report in Hawaii Business Magazine that identified, analyzed, and reported on key sectors with the potential to provide meaningful diversification for Hawaii's economy. The TIGR Report was based on extensive research, with the aid of over 100 "field correspondents", and Mr. Lim developed a keen understanding of both the potential and roadblocks to Hawaii's emerging growth industries. A graduate of Santa Clara University, he holds a Masters in Business Administration from Chaminade University. Mr. Lim is currently a Director on the Hawaii Technology Development Venture Board, Director and Treasurer of the Korean American Foundation, and serves on the Chaminade University Board of Governors.

In responses to questions from your Committees, Mr. Lim discussed his assessment of the Department of Business, Economic Development, and Tourism, and the need to refocus the broad scope of the Department's activities in the face of severe cuts in personnel and other resources in recent years, which have in turn led to low morale in the Department. Mr. Lim also stressed his commitment to aligning the Department with the Governor's New Day in Hawaii Plan, and its focus on key emerging growth areas, including energy, knowledge intensive, technology, and dual use industries, and support for small business, housing, and tourism.

With respect to Mr. Lim's stated intention of rebuilding the Department's capacity to provide timely, accurate, and well thought-out economic growth analyses to help revive the State's economy, your Committees believe that such actions will substantially improve the types of cost-benefit analyses provided by the Department of Business, Economic Development, and Tourism, Department of Taxation, and other economic research assets such as the Economic Research Organization at the University of Hawai'i team, private sector economists, and knowledgeable retirees. As such, the Department will be in a stronger position to provide solid, reliable economic data upon which state policymakers, the new Abercrombie administration, and private sector stakeholders can rely as they seek to diversify and expand the State's economic base.

Mr. Lim responded to questions regarding past departmental procurement practices and shortcomings identified by the Auditor by assuring your Committees that he has met with all Department division heads to instill a respect for the procurement process, controls, budgeting, and reporting. To this end, he reported that actions are underway that require all division heads to sign an internal agreement that identifies their responsibilities for compliance with the procurement code, ensuring an understanding of the sanctions that will be imposed for non-compliance, mandatory training requirements, and a complete review of procurement practices by all divisions.

Your Committees believe that the Director's proposed actions speak volumes in terms of rebuilding the Department's credibility, which has been severely undermined during the last eight years. However, notwithstanding the fact that the Department's Administrative Services Office is currently understaffed, your Committees believe that the prior administration's practice of delegating procurement and contracting authority to division heads (thereby bypassing the expertise of the Department's procurement and contracting staff) must also be halted if the Department is to achieve a higher level of government procurement and contracting compliance.

Your Committees have also requested that its members be kept apprised of Mr. Lim's plans regarding any future reorganization of the Department, past initiatives that have been or may be identified as outside the Department's refocused scope of activities, the Department's response to problem areas that have been or may be identified, as well as any areas where the Legislature may be of assistance. Your Committees believe that, as demonstrated by Mr. Lim's timely responses to questions posed by your Committees' chairs, the best way for the Department to rebuild credibility and trust is to commit to immediate resolution of issues identified by legislative stakeholders and others during this current legislative session. By doing so, your Committees are confident that issues of credibility, staff morale, and trust will be overcome by a renewed sense of departmental purpose and tangible results.

Regarding potential conflicts of interest given his extensive background in Hawaii's financial industry, Mr. Lim stated that he has resigned from all for-profit boards on which he previously served, and remains cognizant of his responsibilities regarding any possible conflicts that might arise in the future.

Your Committees commend Mr. Lim for his willingness to serve as the Director of Business, Economic Development, and Tourism, and for his frank acknowledgement that "government is much more complicated than the private sector." Your Committees are in strong agreement with this statement and believe that his recognition of the complexities of his position will be one of his strongest assets in the future.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Tourism that are attached to this report, your Committees, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommend that the Senate advise and consent to the nomination.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, none.

**SCRep. 805 (Majority) Ways and Means on H.B. No. 1034**

The purpose and intent of this measure is to make emergency appropriations for fiscal biennium 2009-2011 to fund Employer-Union Health Benefits Trust Fund health premium payments under the agreement negotiated with the exclusive bargaining representative of collective bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 13, and their excluded counterparts.

Your Committee received testimony in support of this measure from Kalbert Young, Director, Department of Budget and Finance; Wil Okabe, President, Hawaii State Teachers Association; Randy Perreira, Executive Director, Hawaii Government Employees Association, AFSCME Local 152; and Dayton M. Nakanelua, State Director, United Public Workers, AFSCME, Local 646, AFL-CIO.



Your Committee notes that Governor's Message No. 98 requests immediate passage of this measure in accordance with Article VII, Section 9, of the Constitution of the State of Hawaii.

Your Committee further finds that state employees have absorbed the costs of all health premium increases since July 2009. This measure, through the current fiscal year ending on June, 30, 2011, raises employer contributions to coincide with health premium increases beginning in March 2011. Immediate passage of this measure will minimize the necessity of making retroactive adjustments for pay periods following the health premium increase.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1034, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Slom). Excused, 4 (Chun Oakland, Dela Cruz, Tokuda, Wakai).

**SCRep. 806 (Joint) Human Services and Commerce and Consumer Protection on S.C.R. No. 3**

The purpose and intent of this measure is to request the Auditor to conduct an impact assessment report of the social and financial impacts of mandating health insurers to offer coverage for hearing aids.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board, Assistive Technology Resource Centers of Hawaii, and seventeen individuals.

Your Committees find that hearing is essential to most individuals in their daily lives, because it allows people to be connected to others in their environments. Your Committees further find that individuals who have difficulty hearing can experience distorted and incomplete communication, which can impact their professional and personal lives.

Your Committees also find that a hearing aid enhances an individual's ability to interact independently in the community, but the cost may be prohibitive to the average adult. According to testimony received by your Committees, hearing aids can cost between \$1,000 and \$4,000. Medicare and most health insurance companies do not cover the cost of hearing aids. Having some of the cost covered by a health plan would enable more individuals to obtain hearing aids.

Your Committees additionally find that the study proposed in this measure is required by state law, pursuant to section 23-51, Hawaii Revised Statutes, prior to mandating coverage for hearing aids.

Your Committees have amended this measure by:

- (1) Amending a reference from "persons suffering from hearing loss" to "persons who are deaf or hard of hearing" to reflect a people-first philosophy that acknowledges a person first, then a physical condition; and
- (2) 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 Human Services and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 3, 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. 3, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 807 Human Services on S.C.R. No. 11**

The purpose and intent 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.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Disability and Communication Access Board, Home for Life Task Force, Policy Advisory Board for Elder Affairs, Child & Family Service, AARP, CK Independent Living Builders, and three individuals.

Your Committee finds that the Home for Life Task Force is concerned with two main issues: creating the physical infrastructure that will allow the elderly and persons with disabilities to remain in their homes as long as possible, and facilitating multigenerational housing in which generations can live together in conditions that foster independence and interdependence. Your Committee further finds that the Home for Life Task Force is needed to address aging in place and long-term care issues to ensure that persons of all ages with disabilities are able to receive appropriate, quality care in their homes.

Your Committee additionally finds that the Home for Life Task Force submitted an Interim Report to the Legislature in January 2011 that summarized the activities of the Task Force's working groups and included preliminary recommendations. However, your Committee also finds that many more steps need to be taken before the Home for Life Task Force can accomplish its objectives. Your Committee finds that this measure is necessary to provide the Home for Life Task Force with additional time to complete its activities.

Your Committee notes that the Executive Office on Aging is not a current member of the Home for Life Task Force. Based on testimony received by your Committee, the Executive Office on Aging is committed to the work of the Task Force, and would like to fully participate in any future efforts and activities. Accordingly, your Committee finds that it would be appropriate to include a representative from the Executive Office on Aging as a formal member of the Home for Life Task Force.

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 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 (Slom).

**SCRep. 808 (Majority) Commerce and Consumer Protection on H.B. No. 1434**

The purpose and intent of this measure is to clarify that a contractor may be charged with multiple violations of the prevailing wage law if, after investigation, the contractor is found to have committed multiple or recurring violations of the prevailing wage law on multiple public work projects.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii Government Employees Association; Hawaii State AFL-CIO; Hawaii Building and Construction Trades Council of the AFL-CIO; Plumbers and Fitters Union, Local 675; International Brotherhood of Electrical Workers, Local Union 1186; and International Brotherhood of Electrical Workers, Local Union 1260. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii; Jas. W. Glover, Ltd.; Simmons Steel Corporation; Royal Contracting Co., Ltd.; Ralph S. Inouye Co., Ltd.; PVT Land Company, Ltd.; Curtis Law Construction; Tomco Corp.; S&M Sakamoto, Inc.; Koga Engineering and Construction, Inc.; LYZ, Inc.; Delta Construction Corporation; and Dorvin D. Leis Co., Inc.

Your Committee finds that this measure enhances the capacity of the Department of Labor and Industrial Relations to ensure that contractors working on public work projects comply with Hawaii's prevailing wage law. Your Committee further finds that because investigations into wage law violations may take a year or more to complete and because accumulated violations expire after two years for purposes of the State's three-strikes license suspension policy, habitual violators frequently avoid penalties for their violations of the law. Your Committee acknowledges the concerns of the contractor community that a contractor engaged in multiple public work projects at one time may be subject to license suspension based on a single investigation. However, your Committee further finds that violations of the prevailing wage law cause serious harm to workers and their families. Therefore, it is in the public interest to quickly and effectively enforce the law.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1434, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1434, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Solomon, Taniguchi).

**SCRep. 809 Commerce and Consumer Protection on H.B. No. 904**

The purpose and intent of this measure is to require that caffeinated beer beverages sold in this State are labeled as intoxicating liquor and contain a warning that the potentially harmful effects of consuming a caffeinated beer beverage may amplify any harmful effects of consuming intoxicating liquor.

Your Committee received testimony in support of this measure from MADD Hawaii, the Distilled Spirits Council of the United States, and one private individual.

Your Committee finds that the federal Food and Drug Administration has issued warnings that caffeinated alcoholic beverages are unsafe. Your Committee also finds that the inclusion of caffeine in intoxicating liquor may delay the apparent effects of the alcohol also contained in the beverage, leading to inadvertent overconsumption, particularly among the young and inexperienced consumers targeted by marketers of caffeinated beer beverages.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 904, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 904, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 810 Commerce and Consumer Protection on H.B. No. 1133**

The purpose and intent of this measure is to:

- (1) Make the intentional or knowing performance of a veterinary procedure on a pet animal by a person not licensed as a veterinarian a class C felony; and
- (2) Exempt the cropping of ears or the docking of a tail of a pet animal for compensation or as part of the sale of the animal by an unlicensed person from the criminal prohibition on animal cruelty.

Your Committee received testimony in support of this measure from the Board of Veterinary Examiners; The Humane Society of the United States; Hawaiian Humane Society; West Hawaii Humane Society; Hearts for Animals, Inc.; and ninety-five private individuals. Your Committee received comments on this measure from one private individual.

Your Committee finds that the current classification of the offense of practicing veterinary medicine without a license as a misdemeanor that carries a maximum penalty of \$500 and six months imprisonment is insufficient to provide effective deterrence or to promote consistent enforcement. Unfortunately, your Committee further finds that some unlicensed persons in the State do perform veterinary procedures including ear cropping, tail docking, spaying or neutering, and even voice box removal under conditions and in a manner that is inhumane, unsanitary, and unethical. Your Committee also finds that subjecting the unlicensed performance of veterinary procedures on a pet animal to conviction for a class C felony will increase the maximum available penalty to over one year of imprisonment, therefore increasing the incentive to prosecute and the deterrent effect of the penalty. Finally, your Committee finds that the practices of ear cropping and tail docking, when performed by an unlicensed person without proper anesthesia and under unsanitary conditions, can result in severe injury and extensive suffering for the animal and should be subject to criminal penalties for animal cruelty.

Your Committee has amended this measure by:

- (1) Clarifying that the cropping of ears or the docking of a tail of a pet animal is exempt from criminal penalties for animal cruelty only if performed by a licensed veterinarian; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1133, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1133, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 811 (Majority) Economic Development and Technology on H.B. No. 1060**

The purpose and intent of this measure is to:

- (1) Authorize the Chief Information Officer to employ persons exempt from chapters 76, 78, and 89, Hawaii Revised Statutes;
- (2) Move the Shared Services Technology Special Fund from the Department of Budget and Finance to the Department of Accounting and General Services; and
- (3) Establish additional accounting and expenditure requirements for appropriations and donations deposited into the Special Fund.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee previously heard a companion measure, S.B. No. 1287, and has amended this measure by deleting its contents and replacing them with the language in S.B. No. 1287, S.D. 2. As amended, this measure retains its original provisions and makes the following amendments:

- (1) Requires the Chief Information Officer, in addition to the Comptroller, to be responsible for raising funds and accepting donations on behalf of the Information Technology Steering Committee;
- (2) Requires the Chief Information Officer to submit annual reports to the Governor and the Legislature on activities and programs under the authority of the Chief Information Officer and the Information Technology Steering Committee, and on expenditures from the Technology Steering Committee Trust Account of the Shared Services Technology Special Fund;
- (3) Appropriates an unspecified amount of funds for deposit into the Shared Services Technology Special Fund and authorizes expenditures from the Special Fund; and
- (4) Changes the effective date from July 1, 2030, to July 1, 2050, to allow for 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. 1060, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1060, 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 (Solomon).

**SCRep. 812 Public Safety, Government Operations, and Military Affairs on H.B. No. 130**

The purpose and intent of this measure is to require and appropriate funds for the Department of Public Safety to determine the number of women who are eligible for reintegration into the community and contract with providers of gender-responsive community services to assist these women in successfully transitioning back into the community.

Your Committee received testimony in support of this measure from the Department of Public Safety; Community Alliance on Prisons; American Civil Liberties Union of Hawai'i; Drug Policy Forum of Hawai'i; Drug Policy Action Group; Goodwill Industries of Hawaii, Inc.; Hawaii Substance Abuse Coalition; TJ Mahoney & Associates; National Association of Reformed Criminals; and six individuals.

Your Committee finds that incarceration is not an effective method to deal with the addiction faced by women being held for illegal drug use; rather, the root problems that lead to these destructive behaviors must be addressed to successfully break the cycle of substance abuse, crime, and incarceration. Your Committee further finds that there is currently a lack of adequate programs that can help incarcerated women face these challenges and assist them in successfully transitioning back into the community. Unfortunately, the great majority of incarcerated women will be released into the community without the necessary skills and tools for a successful transition.

This measure offers an array of services, including family reunification, employment, education opportunities, and housing to assist women in successfully transitioning back into the community.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 130, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 813 Public Safety, Government Operations, and Military Affairs on H.B. No. 318**

The purpose and intent of this measure is to establish within the Civil Defense Agency of the County of Hawaii, the County of Hawaii Interagency Task Force on vog to:

- (1) Review the effects and impact of vog on human health, school children, agriculture, farm and ranch animals, public infrastructure, the visitor industry, and any other issue the Task Force deems necessary; and
- (2) Make recommendations to the Legislature on addressing any issue the Task Force determines is feasible to address.

Your Committee received testimony in support of this measure from the State Department of Defense.

Your Committee finds that this measure is critical to addressing the effects and impact of vog in the County of Hawaii. The Task Force will work in conjunction with the State Interagency Task Force on Sulfur Dioxide Hazards, which was established in June 2008, to recommend measures and strategies to mitigate the effects of vog. This measure is particularly apropos at this time with the recent surge in volcanic activity combined with lingering drought conditions.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 318, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 318, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 814 Public Safety, Government Operations, and Military Affairs on H.B. No. 492**

The purpose and intent of this measure is to require the Department of Public Safety to develop and implement a comprehensive strategic plan to correct the deficiencies in the Sheriff Division that were reported in Auditor Report No. 10-06, "Audit of the Department of Public Safety, Sheriff Division", dated June 2010.

Your Committee received testimony in support of this measure from the Department of Public Safety, Hawaii Government Employees Association, and nine individuals.

Your Committee finds that state law tasks the Department of Public Safety with the responsibility of formulating and implementing state goals and objectives for law enforcement programs. However, since the creation of the Department in 1989, the Sheriff Division, saddled with an ill-defined role and a lack of clarity in mission, has struggled to uphold its expanded law enforcement duties and responsibilities as the State's law enforcement needs have expanded.

Since the inception of the Department of Public Safety, a state law enforcement program or strategic plan defining the Sheriff Division's mission and setting boundaries based upon its capabilities has never been fully developed. This measure requires the Department to develop and implement a comprehensive strategic plan to, among other things:

- (1) Pursue accreditation for the Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc., to ensure that proper law enforcement policies and procedures are enacted and followed;
- (2) Correct certain inefficiencies in the warrant process, mainly to reduce the backlog of warrants; and
- (3) Address departmental leadership concerns by developing and implementing internal controls, in accordance with the Committee of Sponsoring Organizations of the Treadway Commission's internal control-integrated framework.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 492, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 492, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 815 Public Safety, Government Operations, and Military Affairs on H.B. No. 1107**

The purpose and intent of this measure is to authorize members of the Army or Air National Guard who have been qualified through proper training and are authorized by their commanders to use non-lethal weapons when assisting civil authorities in disaster relief, civil defense, or law enforcement functions.

Your Committee received testimony in support of this measure from the State Department of Defense. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawai'i.

Honolulu is the site for the annual Asia-Pacific Economic Cooperation Leaders Meeting in November 2011. The Asia-Pacific Economic Cooperation is the premier forum for cooperation among Asia-Pacific economies on trade and investment issues. The annual Asia-Pacific Economic Cooperation gathering is one of the world's largest intergovernmental meetings and is attended by heads of state, cabinet ministers, the heads of the World Bank and World Trade Organization, and other business leaders. This will be the largest such gathering in Hawaii's history.

High profile events, such as the Asia-Pacific Economic Cooperation meetings, carry many security concerns. With security preparations already underway, it is in the State's best interest to maximize its security resources. Your Committee finds that members of the Army and Air National Guard must be authorized to use electric guns when assisting civil authorities in disaster relief, civil defense, or law enforcement functions.

Your Committee has amended this measure by:

- (1) Inserting references to electric guns in place of references to non-lethal weapons; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1107, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1107, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 816 Commerce and Consumer Protection on H.B. No. 663**

The purpose and intent of this measure is to require clear and conspicuous disclosure of cancellation procedures for all consumer contracts and offers that contain automatic renewal provisions, with additional disclosure requirements for contracts with a term of twelve months or more.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Credit Union League, Hawaii Bankers Association, Property Casualty Insurers Association of America, and GEICO. Your Committee received comments on this measure from Legislative Information Services of Hawaii and Oceanic Time Warner Cable.

Your Committee finds that the disclosure of automatic contract renewal clause provisions required by this measure offers reasonable protections to consumers and allows for communication of the required disclosure through various types of media therefore reducing the burden of compliance for contracting entities.

Your Committee has amended this measure by:

- (1) Clarifying that the notice requirement contained in this measure applies to contracts with a specified term of more than one month and an automatic renewal clause that triggers renewal of the contract for a specified term of more than one month;
- (2) Removing the requirement that the renewal notice is required to be provided in writing to accommodate contracts that are entered into orally;
- (3) Inserting a definition of "clearly and conspicuously" that conforms to the Federal Trade Commission's definition of that term;
- (4) Inserting an exemption from disclosure requirements for financial institutions that are already regulated by state and federal banking laws and that engage in regulated activities;
- (5) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the language of this measure, as amended, is a result of collaboration among stakeholders, including the State's regulatory agency. Your Committee also notes that the exemption for financial institutions contained in this measure applies only to regulated entities engaged in activities that are already subject to extensive state and federal regulations that include disclosure requirements that may conflict with those contained in 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. 663, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 663, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Green, Solomon).

**SCRep. 817 (Joint) Economic Development and Technology and Education on H.B. No. 1308**

The purpose and intent of this measure is to:

- (1) Establish digital media enterprise subzones as unspecified geographic areas surrounding University of Hawai'i campuses that are also designated as enterprise zones;
- (2) Establish an unspecified digital media infrastructure tax credit;
- (3) Change the name of the Hawaii Television and Film Development Board and the Hawaii Television and Film Development Special Fund to the Hawaii Film Office Board and the Hawaii Film Office Special Fund, respectively; and
- (4) Amend the sources of revenue and the uses of the Hawaii Film Office Special Fund through June 30, 2021.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and University of Hawai'i System. Your Committees received testimony in opposition to this measure from the Department of Taxation. Your Committees received comments on this measure from the Office of Information Practices and Tax Foundation of Hawaii.

Your Committees previously heard a companion measure, S.B. No. 1133, and has amended this measure by deleting its contents and replacing them with the language in S.B. No. 1133, S.D. 1. As amended, this measure retains its original provisions and makes the following amendments:

- (1) Changes the recapture percentage for the tax credit from ninety percent to twenty-five percent;
- (2) Changes the effective date from July 1, 2112, to July 1, 2050, to allow for further discussion; and
- (3) Makes 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 Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1308, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1308, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 818 (Majority) Public Safety, Government Operations, and Military Affairs on S.C.R. No. 21**

The purpose and intent of this measure is to designate February 6, 2011, as Ronald Reagan Day in honor of the centennial of his birth, and urge all citizens to reflect and honor the legacy of President Ronald Wilson Reagan and participate in observance activities.

Your Committee received testimony in support of this measure from Admor HVAC Products, Inc.; Grassroot Institute of Hawaii; and thirteen individuals. Your Committee received testimony in opposition to this measure from two individuals.

President Ronald Wilson Reagan worked throughout his life serving freedom and advancing the public good as an entertainer, union leader, corporate spokesman, Governor of California, and President of the United States. President Reagan served with honor and distinction for two terms as the fortieth President of the United States. February 6, 2011, will mark the one hundredth anniversary of President Reagan's birth.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs 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, 2. Noes, 1 (Baker). Excused, 2 (Kidani, Slom).

**SCRep. 819 Public Safety, Government Operations, and Military Affairs on H.B. No. 49**

The purpose and intent of this measure is to authorize the person designated by a decedent who died while serving in any branch of the United States Armed Forces to arrange for the final disposition of the decedent's body, under specified circumstances, through a United States Department of Defense Record of Emergency Data, DD Form 93.

Your Committee received testimony in support of this measure from Quality of Life Regional Liaison, Office of the Assistant Secretary of Defense, Military Community & Family Policy, Department of Defense State Liaison Office; and the Department of Defense.

This measure is intended to recognize in statute the approach that Service members of the Armed Forces are required by federal law to follow in designating a person to direct the disposition of their remains. The DD Form 93 is an essential part of their military record, also designating beneficiaries for members' group life insurance. Service members of the Armed Forces are required to update the Form annually and before any deployment. This measure ensures that the DD Form 93 is consulted and viewed as the legally sufficient document for designating the disposition of Service members' remains.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 49, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 820 Public Safety, Government Operations, and Military Affairs on H.B. No. 681**

The purpose and intent of this measure is to allow active-duty members of the United States Army Reserve and National Guard to participate meaningfully in state government by permitting those members of the Armed Forces wishing to run for elected office to file nomination papers and take oaths by certified mail.

Your Committee received testimony in support of this measure from the Department of Defense.

The terrorist attacks of September 11, 2001, continue to have repercussions today. Thousands of military service members, many of whom have already completed one tour of duty, are still being deployed to volatile areas of the world. In the ten years since the September 11 terrorist attacks, millions of American troops have been ordered overseas, and thousands of soldiers from the Schofield Barracks-based 25th Infantry Division have been deployed to Iraq and Afghanistan.

Your Committee finds that the State bears a special responsibility to its citizen-soldiers in the Army Reserves and National Guard. In particular, active-duty reservists and national guardsmen who wish to run for elected office should be allowed to file nomination papers and take their oaths by mail.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 681, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 821 Public Safety, Government Operations, and Military Affairs on H.B. No. 1109**

The purpose and intent of this measure is to allow an employee with a family member in the United States Armed Forces who is on active duty or notified of a call to active duty, to use family leave for certain activities that would qualify as an exigency under federal law.

Your Committee received testimony in support of this measure from the State Department of Defense, Department of Labor and Industrial Relations, and Department of Human Resources Development.

Under current law, employees are entitled to a total of four weeks of family leave during any calendar year upon the birth of a child of the employee, the adoption of a child, or to care for the employee's child, spouse or reciprocal beneficiary, or parent with a serious health condition. Care for a family member who is in the military is not covered under the existing family leave law.

Your Committee finds that an employee with a family member in the United States Armed Forces who is on active duty or notified of a call to active duty, should be allowed to use family leave for certain activities for which an employee may take military family leave under federal law. Hawaii has a rich tradition of cooperation and support of our service members. Extending the ability to take family leave for a family member who is proudly serving in the defense of one's country is warranted inasmuch as many Hawaii employees are military reservists or national guardsmen.

Your Committee has amended this measure by:

- (1) Clarifying the reference to the federal Family and Medical Leave Act for accuracy; and
- (2) Eliminating the provision for rulemaking as federal rules are in place.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1109, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1109, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 822 Public Safety, Government Operations, and Military Affairs on H.B. No. 121**

The purpose and intent of this measure is to make an appropriation for the Hawaii Civil Air Patrol to continue its missions in the State of Hawaii, including tsunami warning operations.

Your Committee received testimony in support of this measure from the State Department of Defense; Hawaii Wing, Civil Air Patrol; 66th Composite Squadron Civil Air Patrol; Lyman Field Composite Squadron Civil Air Patrol; and fourteen individuals.

Your Committee finds that the Hawaii Civil Air Patrol provides necessary disaster relief, search and rescue, homeland security, and medical emergency transport services. An appropriation will assist the Hawaii Civil Air Patrol to continue its missions, including tsunami warning operations, which have been Hawaii Civil Air Patrol's primary mission in Hawaii.

Your Committee has amended this measure 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 121, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 121, 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 (Kidani, Slom).

**SCRep. 823      Agriculture on H.B. No. 1248**

The purpose and intent of this measure is to:

- (1) Reduce the New Farmer Program (Program) loan interest rate;
- (2) Increase the Program's loan limits;
- (3) Reduce the number of credit denials required to qualify for the Program; and
- (4) Appropriation funds from the Agricultural Loan Revolving Fund for the Program.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and four individuals.

Your Committee finds that as the number of new farms in the State increases, affordable capital for new farmers must be made more readily available. This measure provides easier and more affordable access to capital that is crucial in encouraging new farmers to enter the agriculture market.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1248, 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, 7. Noes, none. Excused, 2 (Kouchi, Slom).

**SCRep. 824      Agriculture on H.B. No. 866**

The purpose and intent of this measure is to allow beekeepers to register certain information with the Department of Agriculture and to appropriate funds for an apiary program within the Department of Agriculture.

Your Committee received testimony in support of this measure from the Department of Agriculture and the Kaua'i Beekeepers Association. Your Committee received comments on this measure from the Office of Information Practices.

Your Committee finds that allowing beekeepers to register with the Department of Agriculture will help the Department to:

- (1) Identify and locate beekeepers;
- (2) Survey beekeepers to determine if any new pests or diseases have been introduced to Hawaii's bee colonies; and
- (3) Provide services to beekeepers such as pest and disease diagnostics to ensure that Hawaii's beekeeping industry remains strong and vibrant.

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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 866, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 866, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 2 (Kouchi, Slom).

**SCRep. 825      Agriculture on H.B. No. 1552**

The purpose and intent of this measure is to restrict the use of the geographic origin on Hawaii-grown coffee labels to improve the consumer's understanding as to the contents of the package.

Your Committee received testimony in support of this measure from the Department of Agriculture; Honolulu Coffee Co.; Maui Oma Coffee Roasting Company; Coffees of Hawaii, LLC; Hawaii Coffee Association; Maui Grown Coffee Company Store; Kona Coffee Council; Greenwell Farms, Inc.; Royal Kona Coffee Visitor Center Mill & Museum; Harold L. King & Co., Inc.; The Madden Corporation; Captain Cook Coffee Company; and thirty-three individuals. Your Committee received testimony in opposition to this measure from Honu Kula Coffee Farm; Sweet Spirit Farms; Kona County Farm Bureau; Lilikoi Inn; Lions Gate Kona Coffee Farm; Pohaku Kona Coffee Farms; Kona Coffee Farmers Association; and fifty-seven individuals. Your Committee received comments on this measure from Aikane Kona Coffee.

Your Committee finds that producers of coffee blends that include one or more Hawaii-grown coffees are using a secondary label that contains the geographic origin of the Hawaii-grown coffee which may mislead consumers into believing that the coffee was exclusive grown in the named region.

Your Committee recognizes the concern raised by testifiers that this measure does not address the real issue many coffee farmers have with geographic origin labeling of coffee blends that contain only a small portion of coffee that is actually grown in Hawaii. Your Committee also recognizes the concern that the restrictions in this measure may prevent small coffee farmers from using a specific geographic origin on their labels unless the farmers have a registered trademark.

Accordingly, your Committee has amended this measure by changing the effective date from July 1, 2020 to July 1, 2050, to allow for further discussion.



As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1552, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1552, 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, 7. Noes, none. Excused, 2 (Kouchi, Slom).

**SCRep. 826 Agriculture on H.B. No. 865**

The purpose and intent of this measure is to increase from 50 cents to 75 cents for every one thousand pounds of freight the fee assessed and collected for the inspection, quarantine, and eradication of invasive species contained in any freight brought into the State.

Your Committee received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Hawaii Farm Bureau Federation; Hawai'i Forest Industry Association; Kona Coffee Farmers Association; Conservation Council for Hawai'i; Coordinating Group on Alien Pest Species; The Nature Conservancy; Poamoho Organic Produce; Alexander & Baldwin, Inc.; Hawaii Crop Improvement Association; Hawai'i Chapter of the Sierra Club; Aloha Arborist Association; and five individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the State's ability to adequately inspect incoming cargo is critical to protecting Hawaii's residents, resources, air passengers, and airport facilities from invasive species. Currently, there is a lack of adequate General Fund monies to cover the necessary inspection requirements at Hawaii's air and sea ports. This measure provides an alternative source of funding to adequately support agricultural inspection in the State.

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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 865, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 865, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 2 (Kouchi, Slom).

**SCRep. 827 (Majority) Commerce and Consumer Protection on H.B. No. 798**

The purpose and intent of this measure is to impose the general excise tax on gross income derived from a life settlement contract by a person not related to the insured.

Your Committee received testimony in support of this measure from the Department of Taxation and Imua Alliance. Your Committee received testimony in opposition to this measure from The Hawaii Business League. Your Committee received comments on this measure from Tax Foundation of Hawaii.

Your Committee finds that this measure taxes gross income received from a life settlement contract payout in the same manner as gross income received from an ordinary business transaction. Your Committee notes that this measure applies not to the beneficiaries of a family member's life insurance policy, but rather to persons unrelated to the insured who are in the business of buying and selling life settlement contracts as a commercial enterprise.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes clarity and consistency.

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. 798, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 798, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Galuteria, Solomon).

**SCRep. 828 Commerce and Consumer Protection on H.B. No. 1045**

The purpose and intent of this measure is to update the Insurance Code to adopt revisions to the National Association of Insurance Commissioners model laws and regulations related to risk-based capital trend tests for property and casualty insurers as required to maintain accreditation of the Insurance Division by the National Association of Insurance Commissioners.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association.

Your Committee finds that this measure applies consistent regulatory treatment to health maintenance organizations, mutual benefit societies, fraternal benefit societies, managed care plans, and other similar risk-bearing entities. Your Committee further finds that adopting a risk-based capital regime for entities that are not currently subject to these requirements will allow the Insurance Division to be proactive in protecting consumers from the hardship of insurer insolvency. Finally, your Committee finds that the amendments to the Insurance Code proposed by this measure are necessary for the State's Insurance Division to maintain accreditation by the National Association of Insurance Commissioners.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1045, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 829 Commerce and Consumer Protection on H.B. No. 1130**

The purpose and intent of this measure is to repeal the sunset date of Act 158, Session Laws of Hawaii 2009, which requires that condominium associations, planned community associations, and cooperative housing developments establish an access policy for civil process servers.

Your Committee received testimony in support of this measure from the Collection Law Section of the Hawaii State Bar Association, the Hawaii Council of Associations of Apartment Owners, Bendet Fidell, and one private individual.

Your Committee finds that prior to the enactment of Act 158, Session Laws of Hawaii 2009, many condominium properties and gated communities in the State routinely denied process servers access to properties for the purpose of serving important legal documents upon residents. Your Committee further finds that Act 158 preserves the self-governance of community associations by allowing each association to develop and enforce its own reasonable rules and procedures for allowing access. Finally, your Committee finds that during the two years that Act 158 has been in effect it has been largely successful. In fact, the implementation of Act 158 has reduced the costs for parties serving legal documents and it has not elicited any reported complaints from community associations.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1130, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 830 Agriculture on H.B. No. 227**

The purpose and intent of this measure is to strengthen trespass provisions by amending the offense of criminal trespass in the second degree under section 708-814, Hawaii Revised Statutes, to also prohibit a person from entering or remaining unlawfully on "unimproved or unused lands" that are fenced, enclosed, or clearly marked by signage.

Your Committee received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Land Use Research Foundation of Hawaii; Hawaii Farm Bureau Federation; W.H. Shipman, Limited; Kamehameha Schools; Dole Food Company Hawaii; and Hawaii Cattlemen's Council. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs.

Your Committee finds that trespassing is a major problem for owners of unimproved or unused land. Trespassers often cause damage to property and crops and increase the liability of land owners. Trespassers also use unimproved and unused lands as illegal dump sites and places to conduct illicit activities. This measure extends current trespass laws to include trespassers on unimproved or unused lands.

Your Committee has amended this measure by:

- (1) Allowing government entities to post signs that read "Government Property – No Trespassing" to meet reasonable notice requirements;
- (2) Including irrigation facilities and systems under the types of minor improvements that do not change the status of unimproved or unused lands;
- (3) Creating a new section in part I of chapter 663, Hawaii Revised Statutes, to limit the liability of agricultural landowners for any injury, death, loss, or damage suffered by a trespasser; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 227, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 227, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 2 (Kouchi, Slom).

**SCRep. 831 Agriculture on H.B. No. 1277**

The purpose and intent of this measure is to appropriate funds out of the Agricultural Development and Food Security Special Fund to the Department of Agriculture to complete the Statewide Agriculture Water Use and Development Study.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and Hawaii Crop Improvement Association.

Your Committee finds that as a result of the closure of the large sugar cane plantations in the 1990's, the Legislature passed Act 101, Session Laws of Hawaii 1998, mandating the Department of Agriculture to create an Agricultural Water Use and Development Plan. To complete this plan, an in-depth study of irrigation systems throughout the State is currently being conducted. This measure will provide necessary funding to the Department of Agriculture for its continued work on the Statewide Agriculture Water Use and Development Study.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 2 (Kouchi, Slom).

**SCRep. 832 Agriculture on H.B. No. 1570**

The purpose and intent of this measure is to provide funding to allow qualified beef cattle, dairy, hog, poultry, and goat farms to apply for and receive, if properly documented, a reimbursement for a percentage of each farm's feed expenses.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Agriculture Research Center; Brainstorm Marketing, Inc.; K.K. Poultry Farm, Inc.; Petersons' Upland Farm; M & H Kaneshiro Farms; Mikilua Poultry Farm Inc.; Hawaii Farm Bureau Federation; and four individuals. Your Committee received testimony in opposition to this measure from Animal Rights Hawaii.

Your Committee finds that the rising cost of feed for livestock animals and the resulting increase in production costs have negatively impacted Hawaii's local livestock industry. By reimbursing local livestock farmers for a certain percentage of their feed costs, the local livestock industry will be able to expand, invest in new technology and equipment, and develop new markets and products. Financial support to Hawaii's livestock industry will serve a public purpose by increasing the competitiveness of Hawaii's livestock industry and lessening Hawaii's dependence on imported food products.

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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1570, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1570, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7; Ayes with Reservations (Wakai). Noes, none. Excused, 2 (Kouchi, Slom).

**SCRep. 833 Public Safety, Government Operations, and Military Affairs on H.B. No. 1339**

The purpose and intent of this measure is to authorize county liquor commissions to prescribe rules limiting, within constitutional bounds, the expression and conduct of patrons on licensed premises. This measure also requires each liquor commission to include a definition of "dancing" within its rules.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai'i, Maui Dance Advocates, and four individuals.

Your Committee finds that controversy has arisen over the scope of permissible dancing in bars and nightclubs. This measure addresses that issue by clarifying that county liquor commissions have the authority to prescribe rules limiting dancing on licensed premises.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1339, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 834 Public Safety, Government Operations, and Military Affairs on H.B. No. 1431**

The purpose and intent of this measure is to allow a county council to adopt ordinances or rules, including the adoption of penalties, to enforce covenants that run with the land that impose standards regarding use, maintenance, landscaping, and setbacks.

Your Committee received testimony in support of this measure from numerous individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that certain planned communities may have covenants that run with the land which may not be enforceable without enabling legislation of a county council. The covenants typically provide for greater frontage setbacks, wider streets with front lawns, restrictions on the land's use such as limiting each parcel to only one single family dwelling, and prohibiting rooming or boarding houses and any business whatsoever. These limitations, restrictions, covenants, and conditions were thoughtfully constructed for the purpose of preserving and maintaining the attractiveness, values, and character of the residential neighborhood being planned.

Covenants running with the land are recorded with the Bureau of Conveyances as attachments to each deed and run with the residential lots in transfers to new owners and successors.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1431, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1431, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 835 Public Safety, Government Operations, and Military Affairs on H.B. No. 491**

The purpose and intent of this measure is to require the Department of Public Safety to seek and obtain accreditation for the Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc.

Your Committee received testimony in support of this measure from the Department of Public Safety and eight individuals.

The Commission on Accreditation for Law Enforcement Agencies, Inc., created in 1979, serves as a law enforcement credentialing authority through collaboration with law enforcement executive associations. Honolulu and Maui Police Departments are accredited by the Commission on Accreditation for Law Enforcement Agencies, Inc. Your Committee recognizes that law enforcement officers, such as those in the Sheriff Division, have tremendous responsibilities, making the receipt of proper training, equipment, and organizational support imperative.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 491, 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; Ayes with Reservations (Ryan). Noes, none. Excused, 1 (Slom).

**SCRep. 836 Public Safety, Government Operations, and Military Affairs on H.B. No. 1626**

The purpose and intent of this measure is to allow the County of Hawaii to expend County of Hawaii fuel tax revenues on the maintenance of substandard private subdivision roads that are used by the public.

Your Committee received testimony in support of this measure from the Mayor of Hawai'i County, Friends of Puna's Future, and nine individuals. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

In the 1960's, Hawaii County approved large substandard private subdivisions on the Big island, mostly concentrated in the Puna district and in Ka'u near the community of Ocean View. These areas represent the fastest growing districts in the State of Hawaii. This measure would provide the County of Hawaii with the discretion to allocate a portion of the district fuel tax allocation for purposes of maintaining substandard private subdivision roads that are used by the public in order to alleviate the significant health and safety issues that the substandard condition of the roads poses to the public.

The island of Hawaii is bigger in size than all of the other islands combined, making the issues related to road maintenance on the island unique comparison to road maintenance issues on the other islands of the State. Your Committee finds that police and ambulances in the County of Hawaii are not able to respond in a timely fashion because of the horrible condition of many of these roadways. Residents in those areas deserve to receive common use benefits from the fuel taxes that they pay. This measure helps to resolve road maintenance problems for approximately 750 miles of roads and 105 miles of roads-in-limbo, which are often overlooked when allocating fuel tax monies.

The intent of your Committee is to ensure that Hawaii County does not deflect funding from other Big Island road repair projects on public roads. Your Committee further intends that Hawaii County enter into public-private partnerships to use the County of Hawaii fuel tax as provided under this measure. Testimony indicated that Hawaii County would purchase road paving materials which would be applied by private contractors who could be hired by the private subdivision.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1626, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1626, 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 (Ryan). Noes, none. Excused, 1 (Slom).

**SCRep. 837 (Joint) Public Safety, Government Operations, and Military Affairs and Economic Development and Technology on H.B. No. 1000**

The purpose and intent of this measure is to expand and enhance the functioning of the Enhanced 911 Board to address the changing technologies and systems required to provide enhanced 911 services.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, Department of Labor and Industrial Relations, Wireless Enhanced 911 Board, Honolulu Police Department, Maui Police Department, Kaua'i Police Department, Hawai'i Police Department, and two individuals.

Your Committees find that the current Wireless Enhanced 911 Board does not include representation of other communications service providers. This measure expands the representation of the Wireless Enhanced 911 Board and expands the responsibility of the Board to coordinate all enhanced 911 services. Your Committees recognize that the efficient management of 911 emergency networks saves lives and dramatically reduces the liability of government entities and agencies in responding to emergencies. In addition, this measure encompasses new technologies in the field of enhanced 911 services.

Your Committees have amended this measure by deleting its contents and replacing them with S.B. No. 1227, S.D.2. As amended, this measure retains its original provisions and makes the following amendments:

- (1) Deletes the definition of "911 coordinator" and the provision for responsibilities of the coordinator, on recommendation of the Department of Accounting and General Services;
- (2) Deletes the definition of "911 service";
- (3) Adds definitions for "database service provider" and "universal emergency number service";
- (4) Clarifies the provision specifying representation on the Enhanced 911 Board from public safety answering points on various islands, upon the recommendation of the Department of Accounting and General Services;
- (5) Exempts connections provided by a local exchange carrier providing land line enhanced 911 services through section 269-16.95, Hawaii Revised Statutes, from the imposition of the enhanced 911 surcharge;
- (6) Changes the effective date to July 1, 2050; and
- (7) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs 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. 1000, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1000, 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 (Slom).

**SCRep. 838 Commerce and Consumer Protection on H.B. No. 1447**

The purpose and intent of this measure is to amend provisions of the Permitted Transfers in Trust Act governing transfers of property from a transferor to a trustee by means of an irrevocable trust instrument.

Your Committee received testimony in support of this measure from First Hawaiian Bank, Bank of Hawaii, and one private individual.

Your Committee finds that certain provisions of the Permitted Transfers in Trust Act, as it is currently written, prevent local trust companies from effectively taking part in the perpetual trust market. Your Committee further finds that this measure corrects those provisions to allow Hawaii's financial sector to become more competitive in attracting perpetual trust investment. Your Committee finally finds that this measure amends the definitions of certain terms in the Permitted Transfers in Trust Act to create consistency with definitions contained in the Code of Federal Regulations.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2011; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1447, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1447, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 839 (Joint) Human Services and Public Safety, Government Operations, and Military Affairs on H.B. No. 1067**

The purpose and intent of this measure is to repeal section 352-28, Hawaii Revised Statutes, which authorizes the Executive Director of the Office of Youth Services, with the approval of the Family Court, to transfer a committed youth from the Hawaii Youth Correctional Facility to an adult correctional facility.

Your Committees received testimony in support of this measure from the Department of Public Safety, Department of Human Services, Office of Youth Services, Community Alliance on Prisons, American Civil Liberties Union of Hawai'i, and two individuals.

Your Committees find that this measure will ensure that youth committed to the Hawaii Youth Correctional Facility will not be transferred, for disciplinary or other reasons, to adult correctional facilities, where they would be exposed to serious adult offenders and subjected to possible physical, mental, and sexual assault.

Your Committees further find that this measure will simplify Hawaii's efforts to comply with the federal Juvenile Justice Delinquency Prevention Act, which requires that juveniles being securely detained must be "sight and sound" separate from adult detainees. Violation of this requirement would jeopardize future federal funding.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1067, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Kidani, Ryan).

**SCRep. 840 Human Services on H.B. No. 1003**

The purpose and intent of this measure is to provide an enhanced grade of offenses for specified crimes committed against domestic violence victims covered by protective orders or restraining orders.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Police Department of the City and County of Honolulu, Hawaii County Police Department, Hawai'i State Coalition Against Domestic Violence, and one individual. Your Committee received testimony in opposition to this measure from the Office of the Public Defender. Your Committee received comments on this measure from the Pacific Alliance to Stop Slavery and Polaris Project.

Your Committee finds that victims of domestic violence often endure extended periods of physical violence, mental abuse, intimidation, harassment, and terrorization before they reach out for help. Your Committee further finds that abuse and violence toward victims often continue after the police or courts have intervened and issued protective orders or restraining orders.

Your Committee additionally finds that current laws do not provide adequate deterrence for many perpetrators of abuse. Upgrading certain criminal offenses, as provided in this measure, will provide a meaningful deterrent for offenders and offer greater protection for domestic violence victims.

Your Committee has also heard testimony regarding the crime of human trafficking. According to testimony received by your Committee, over 60,000 individuals are trafficked into the United States each year, but your Committee believes that the actual figure for the scope of human trafficking is much higher. Your Committee also finds that in September 2010, Hawaii was home to the largest labor trafficking case in the history of the United States.

Accordingly, your Committee has amended this measure by:

- (1) Adding a new part that addresses concerns regarding labor trafficking by establishing:
  - (A) The offense of labor trafficking in the first and second degrees;
  - (B) Additional sentencing considerations for victims held in servitude;
  - (C) Extended terms of imprisonment for labor trafficking offenses;
  - (D) Restitution for victims of labor trafficking;
  - (E) The offense of nonpayment of wages;
  - (F) The offense of unlawful conduct with respect to documents under the labor trafficking law; and
  - (G) Provisions relating to the prosecution of labor trafficking offenses; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1003, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1003, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 841 Human Services on H.B. No. 1005**

The purpose and intent of this measure is to amend various sections of chapter 576D, Hawaii Revised Statutes, to bring the Child Support Enforcement Agency into compliance with federal law.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that recent amendments made to federal regulations require that all states provide Title IV-D services to tribal IV-D agencies and foreign countries as defined under federal regulations. Failure to comply with this federal requirement would jeopardize federal funding of the Child Support Enforcement Agency and federal funding for Temporary Assistance for Needy Families programs. Your Committee finds that this measure is necessary to maintain eligibility for federal funding for those services and programs.

Your Committee has amended this measure by changing the effective date to July 1, 2011.

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. 1005, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1005, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 842 Human Services on H.B. No. 56**

The purpose and intent of this measure is to:

- (1) Permit the Family Court to award reasonable visitation to grandparents if the denial of visitation would cause significant demonstrable harm to the child;
- (2) Establish a rebuttable presumption that visitation decisions made by a parent are in the best interests of the child; provided that the presumption may be rebutted by clear and convincing evidence; and
- (3) Establish factors that the Court may consider in awarding visitation.

Your Committee received testimony in support of this measure from the Texas Senate Committee on Veteran Affairs & Military Installations, Office of Hawaiian Affairs, Hawaii State Bar Association Family Law Section, and six individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that there is support for permitting reasonable visitation for a grandparent or grandparents with their minor grandchild. Your Committee further finds that this measure addresses the issue of grandparent visitation rights.

Your Committee has heard the concerns regarding an exemption for custody and visitation where issues of domestic violence are present. Your Committee respectfully requests that your Committee on Judiciary and Labor evaluate whether the factors the Court may consider in awarding visitation, as proposed by this measure, appropriately address these concerns.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 56, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 56, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 843 Human Services on H.B. No. 616**

The purpose and intent of this measure is to clarify that awards of visitation rights may include visitation by electronic communication, and to establish factors to be considered by courts in setting guidelines for visitation by electronic communication.

Your Committee received testimony in support of this measure from seven individuals. Your Committee received testimony in opposition to this measure from the Hawaii State Bar Association Family Law Section. Your Committee received comments on this measure from two individuals.

Your Committee finds that this measure creates necessary guidelines that will allow the Family Court to award visitation through electronic communication in a consistent manner.

Your Committee has heard the concerns regarding visitation and electronic communication where issues of domestic violence are present. Your Committee notes that an exemption should be included in cases involving domestic violence.

Accordingly, your Committee has amended this measure by:

- (1) Including in the factors for consideration:
  - (A) Criteria from sections 571-46(9) and (10), Hawaii Revised Statutes, pertaining to family violence, to ensure that concerns regarding domestic violence matters are adequately addressed; and
  - (B) Whether the parent has previously violated a temporary restraining order or protective order; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 616, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 616, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 844 Human Services on H.B. No. 238**

The purpose and intent of this measure is to provide additional penalties for the first conviction for a violation of a temporary restraining order, if the person has a prior conviction of certain specified offenses against a family or household member.

Your Committee received testimony in support of this measure from the Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, Hawaii State Coalition Against Domestic Violence, and two individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender and one individual.

Under current law, a first-time violator of a temporary restraining order is subject to a mandatory minimum jail sentence of forty-eight hours. This measure increases that mandatory minimum term to fifteen days for persons convicted of specified prior offenses indicating acts of abuse, violence, or depravity against family or household members.

The intent of your Committee is to enhance the protection of victims of domestic violence by increasing penalties for persons who violate temporary restraining orders by sending a clear warning to these individuals that any violation of a temporary restraining order will not be tolerated with leniency.

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. 238, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 845 Human Services on H.B. No. 404**

The purpose and intent of this measure is to assist Palolo Chinese Home by authorizing the issuance of special purpose revenue bonds to finance the expansion, construction, and rebuilding of its health care facilities.

Your Committee received testimony in support of this measure from Palolo Chinese Home.

The Palolo Chinese Home is a 501(c)(3) not-for-profit organization under the Internal Revenue Code that has been providing shelter and care for more than one hundred years to Hawaii's seniors. This bond issuance would assist the Home to finance its campus redevelopment plans to better serve the community by providing additional nursing and care home beds for seniors.

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. 404, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 846 Human Services on H.B. No. 758**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and make appropriations for the Department of Human Services' Vocational Rehabilitation and Services for the Blind Division to upgrade equipment and facilities for its Hoopono program.

Your Committee received testimony in support of this measure from the Department of Human Services and two individuals.

Your Committee finds that Hoopono Services for the Blind is housed in an aging building. Your Committee further finds that funds are needed to repair the leaking roof, renovate the restrooms, and improve the condition of the auditorium. This measure secures funds to remedy these problems and improve the effectiveness of the Hoopono program.

Your Committee has amended this measure by:

- (1) Authorizing the issuance of \$773,000 in general obligation bonds and appropriating that amount to the Department of Human Services for the Hoopono program; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 758, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 758, 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 (Slom).

**SCRep. 847 Human Services on H.B. No. 1303**

The purpose and intent of this measure is to require the Hawaii Public Housing Authority to:

- (1) Assess a fee on all units for community facilities maintenance;
- (2) Establish a minimum rent schedule for state public housing units; and
- (3) Give first preference to certain categories of disabled veterans during tenant selection for state low-income housing.

Your Committee received testimony in opposition to this measure from the Hawaii Public Housing Authority, American Civil Liberties Union of Hawai'i, and Legal Aid Society of Hawai'i.

Your Committee has heard the concerns regarding charging a community facilities maintenance fee to all units. Your Committee understands that an unintended consequence of charging this fee may be inequity to tenants who do not utilize community facilities. Your Committee has also heard the concerns regarding establishing a minimum rent schedule for state public housing units. Your Committee has heard testimony that if minimum rents were set at \$300 per month as suggested by this measure, fifty-four percent of family public housing residents would be unable to make monthly rent payments and would be subject to eviction.

Accordingly, your Committee has amended this measure by:

- (1) Limiting the Hawaii Public Housing Authority's authority under this measure to charge a community facilities maintenance fee for the rental and use of common areas for private functions, rather than on all community facilities expenses;



- (2) Deleting sections 2 and 4 of the measure, which would have permitted the Hawaii Public Housing Authority to establish a minimum rent schedule at public housing units;
- (3) Inserting an effective date of July 1, 2050, to allow for 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1303, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1303, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 848 Human Services on H.B. No. 596**

The purpose and intent of this measure is to:

- (1) Require the Department of Human Services to provide until July 1, 2016, Medicaid presumptive eligibility to patients who have been waitlisted for long-term care;
- (2) Require the Department of Human Services to conduct a study that examines the potential implementation of a computerized system to process Medicaid applications; and
- (3) Appropriate funds to the Department of Human Services to cover the cost of any reimbursements made to providers or plans for services provided during the time that waitlisted patients are enrolled but eventually disenrolled due to a determination of ineligibility.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, Kaiser Permanente Hawaii, The Queen's Medical Center, Healthcare Association of Hawaii, Hawaii Disability Rights Center, The Chamber of Commerce of Hawaii, and one individual. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that delays in discharging patients who have been waitlisted for long-term care have been costly for Hawaii hospitals, with the duration of these delays ranging between several days to several months, and in some cases more than a year. For these hospitals, each day that a waitlisted patient remains in an acute care hospital bed is another day that an acute care bed is not available for an acute care patient in need.

Your Committee understands the many reasons for the various delays in discharging patients from acute care hospitals, but your Committee believes that the findings in this measure make a strong case for beginning a process to address this ongoing problem.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 596, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 596, 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 (Slom).

**SCRep. 849 Human Services on H.B. No. 594**

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to match available federal Disproportionate Share Hospital (DSH) funds allocated to the State.

Your Committee received testimony in support of this measure from Kaiser Permanente; Healthcare Association of Hawaii; The Queen's Medical Center; The Chamber of Commerce of Hawaii; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; and one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the federal government makes DSH payments available to hospitals that serve high numbers of low-income patients. DSH partially pays for care that is not covered by insurance such as Medicare, Medicaid, or private health insurance. Your Committee further finds that Hawaii does not receive DSH funding on a regular basis. Hawaii temporarily lost DSH funding when the State created its QUEST program. However, Hawaii's Congressional Delegation has been able to secure \$10,000,000 per year in DSH payments through legislation such as the Patient Protection and Affordable Care Act. These federal funds may be matched by state funds using the Federal Medical Assistance Percentage.

According to testimony received by your Committee, the Department of Human Services submitted a state plan amendment to the federal Centers for Medicare and Medicaid Services covering the period from July 1, 2009, through June 30, 2010. The DSH payment for this period was paid to hospitals in February 2011. Your Committee also finds that the next DSH period will be July 1, 2010, through June 30, 2011, and the applicable Federal Medical Assistance Percentage is expected to be 50.48 percent for that period, which corresponds to \$9,809,826 for the State's share.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$9,809,826; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 594, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 594, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 850 Human Services on H.B. No. 718**

The purpose and intent of this measure is to:

- (1) Authorize the Department of Human Services to develop and administer a program to assist former foster youth with housing options upon aging out of the foster care system; and
- (2) Appropriate funds to develop and administer a housing assistance program for former foster youth.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii Youth Services Network, Hawaii Family Forum, and one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that thirty percent of youth who age out of foster care at eighteen years of age become homeless before they reach the age of twenty-one. Your Committee further finds that many former foster youth need assistance in locating affordable housing, negotiating with landlords, and managing their budgets. This measure would provide Hawaii's former foster youth with transitional support to empower them to become productive and self-sufficient adults.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount from an unspecified sum to \$5,000,000; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 718, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 718, 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 (Slom).

**SCRep. 851 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on H.B. No. 505**

The purpose and intent of this measure is to protect life and property by appropriating funds for flood mitigation efforts:

- (1) On Farrington Highway between Maili and Nanakuli on the island of Oahu; and
- (2) In the Lualualei Valley area on the island of Oahu.

Your Committees received testimony in support of this measure from the Department of Transportation, Department of Defense, and six individuals.

Your Committees find that flooding is a major problem for various parts of the State. Flooding not only causes physical damage to structures, but also creates dangerous travel conditions that lead to road closures and potential loss of life. There are two areas that have been particularly vulnerable to flooding. These areas include the segment of Farrington Highway between Maili and Nanakuli and the area of Lualualei Valley. Flooding due to heavy rains has been a recurring problem in these areas, causing unsafe road conditions and road closures as recently as January 2011.

Your Committees have amended this measure by:

- (1) Appropriating funds for additional, frequently flooded areas on the islands of Hawaii, Kauai, Oahu, and Maui, as these areas also deserve relief from flood events; and
- (2) Changing the effective date to July 1, 2011.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 505, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 505, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Gabbard, Kidani, Kouchi).

**SCRep. 852 (Joint) Economic Development and Technology and Public Safety, Government Operations, and Military Affairs on H.B. No. 1342**

The purpose and intent of this measure is to expedite the deployment of high-speed broadband technology in Hawaii by exempting the installation, improvement, construction, or development of infrastructure relating to broadband service from certain permitting requirements for the period of January 1, 2012, to January 1, 2017.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs; Department of Land and Natural Resources; Department of Transportation;

Hawaiian Electric Company, Inc.; Hawaiian Telcom; and The Chamber of Commerce of Hawaii. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Department of Planning and Permitting and a member of the Maui County Council. Your Committees received comments on this measure from tw telecom.

Your Committees previously heard a companion measure, S.B. No. 1161, that was passed out of your Committees with amendments. Your Committees have amended this measure by deleting its contents and replacing them with the language in S.B. No. 1161, S.D. 1, which contains substantially comparable provisions to this measure. As amended, this measure retains its original provisions and makes the following amendments:

- (1) Deletes the reference to maximum utility pole safe weight capacities established by the Hawaii Public Utilities Commission;
- (2) Changes the effective date from July 1, 2112, to July 1, 2050, to allow for further discussion; and
- (3) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees understand that the Broadband Working Group established by Act 199, Session Laws of Hawaii 2010, has reconvened to discuss additional amendments to this measure related to issues of specific permitting exemptions, liability, indemnification by the State, and costs of equipment replacement and remediation. In addition, members of the Broadband Working Group are reviewing federal actions, including Federal Communications Commission rules related to access. Your Committees are in strong support of the intent of this measure and urge the Broadband Working Group to continue to work with the Legislature regarding further amendments to resolve the above concerns.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1342, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1342, 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, 7. Noes, none. Excused, 1 (Slom).

**SCRep. 853 Commerce and Consumer Protection on H.B. No. 550**

The purpose and intent of this measure is to require the Auditor to analyze the allocation of cable operator franchise fees and to contract for a performance review or audit of ‘Olelo Community Television.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from ‘Olelo Community Media.

Your Committee finds that while the concerns raised by the proponents of this measure may have merit, cable television operators including ‘Olelo Community Television are already required to submit reports of financial, technical, and operational condition and ownership to the Department of Commerce and Consumer Affairs. Additionally, ‘Olelo Community Television underwent an audit by an independent third party in 2005. Your Committee further finds that it is a more efficient use of the State’s resources to require the Auditor to review the existing information than to conduct a study that is duplicative and for which the necessity is unclear.

Your Committee has amended this measure by:

- (1) Deleting the provision requiring the Auditor to contract for a performance review of ‘Olelo Community Television;
- (2) Deleting provisions making appropriations from the Compliance Resolution Fund to the Audit Revolving Fund for the purpose of contracting for a performance review of ‘Olelo Community Television;
- (3) Inserting a new provision to require the Auditor to review the reports of financial, technical, and operational condition and ownership submitted by ‘Olelo Community Television to the Department of Commerce and Consumer Affairs pursuant to section 440G-14, Hawaii Revised Statutes, and the most recent independent third party review of ‘Olelo Community Television and to submit a report to the Legislature prior to the 2012 Regular Session that includes recommendations as to the sufficiency of ‘Olelo Community Television’s currently required reports for the purpose of effective oversight; and
- (4) Inserting an effective date of July 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. 550, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 550, 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, 7. Noes, none. Excused, none.

**SCRep. 854 (Joint) Transportation and International Affairs and Commerce and Consumer Protection on H.B. No. 1241**

The purpose and intent of this measure is to increase the number of business days from ten to twenty after the mailing of a notice to an out-of-state owner of an abandoned vehicle during which the owner may repossess their vehicle before the abandoned vehicle is subject to disposal.

Your Committees received testimony in support of this measure from EAN Holdings, LLC and Hawaii Credit Union League. Your Committees received testimony in opposition to this measure from the Department of Customer Services of the City and County of Honolulu.

Your Committees find that extending the time in which the owner of an abandoned vehicle may repossess their vehicle from custody is warranted, particularly with respect to rental car companies with large fleets of vehicles whose lessees may abandon the

vehicles. This measure would help ensure that these companies have sufficient time to recover rental vehicles that may have been abandoned.

Your Committees have amended this measure by:

- (1) Deleting its contents and replacing them with the contents of S.B. No. 30, S.D. 1, which is a substantively similar measure but provides for a twenty-day period before repossession for all motor vehicles, regardless of the location of the address of the motor vehicle's registered owner of record; and
- (2) Changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Transportation and International 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. 1241, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1241, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Gabbard, Kouchi).

**SCRep. 855 Health on H.B. No. 484**

The purpose and intent of this measure is to require each hospital within the State to allow advanced practice registered nurses to practice within the full scope of the practice, including as primary care providers, to ensure that advanced practice registered nurses are used to their full potential.

Your Committee received testimony in support of this measure from the Board of Nursing; Hawaii Medical Service Association; Hawai'i State Center for Nursing; Hawaii Medical Association; Kaiser Permanente; University of Phoenix, Hawaii Campus; American Academy of Nurse Practitioners; Hawai'i Association of Professional Nurses; and nine private individuals. Your Committee received comments on this measure from Healthcare Association of Hawaii.

Your Committee recognizes the importance of advanced practice registered nurses to the community and the State's integrated health care delivery service. Your Committee received testimony suggesting that this measure could be improved by allowing employers to specify the scope of employment at the time of hire so that the requirements and limitations of the position are clear prior to the commencement of work. Your Committee finds merit in this suggestion and urges its consideration as this measure advances through the legislative process.

Your Committee has amended this measure 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 484, 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. 856 Health on H.B. No. 889**

The purpose and intent of this measure is to establish health care-associated infection reporting requirements to ensure that Hawaii is consistent with the efforts of federal agencies to control the spread of health care-associated infections and to ensure that the Department of Health has access to health care-associated infection data reported by Hawaii's health care providers to the federal government.

Your Committee received testimony in support of this measure from the Department of Health, Association for Professionals in Infection Control and Epidemiology, and Healthcare Association of Hawaii.

Your Committee finds that the State's health care-associated infection reporting protocol needs to be updated to align with federal reporting standards.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 889, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 889, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 857 (Majority) Health on H.B. No. 273**

The purpose and intent of this measure is to impose an excise tax on tobacco products, other than large cigars, that is equal to the greater of seventy percent of the wholesale price of, or \$3.20 for, each article or item of tobacco products in an effort to curtail tobacco use throughout the State.

Your Committee received testimony in support of this measure from Healthy Mothers Healthy Babies Coalition of Hawaii; American Heart Association; Hawaii COPD Coalition; American Cancer Society; Coalition For A Tobacco-Free Hawai'i; American Lung Association in Hawaii; and thirty-six private citizens. Your Committee received testimony in opposition to this measure from

Cigar Association of America, Inc. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the tax increase proposed by this measure will not only bring in additional revenue for the State, but it will also help reduce tobacco use, particularly among young adults. Your Committee also finds that a similar measure, S.B. No. 233, S.D. 2 (2011), contains language that will better assist the State in curtailing tobacco consumption and will set aside funds for tobacco prevention and cessation programs.

Accordingly your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 232, S.D. 2. This measure, as amended:

- (1) Removes the seventy percent excise tax on the wholesale price of each article or item of tobacco products, other than large cigars, and instead inserts a blank dollar amount that is effective as of July 1, 2011;
- (2) Removes the \$3.20 excise tax on the wholesale price of each article or item of tobacco products, other than large cigars;
- (3) Imposes an excise tax on a percentage of the wholesale price of each article or item of tobacco products, other than large cigars, sold by a wholesaler or dealer after July 1, 2011, or if not sold then at the same rate upon the use by the wholesaler or dealer;
- (4) Adds clarifying language regarding the imposition of the tax on different types of tobacco products, such as large cigars; tobacco lozenges, pouches, or pills; smokeless tobacco; and loose tobacco; and
- (5) Requires a portion of the tax revenue collected from each item of tobacco products sold to be expended by the Department of Health for tobacco prevention programs and tobacco dependence treatment services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 273, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 273, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Slom). Excused, none.

**SCRep. 858 Health on H.B. No. 129**

The purpose and intent of this measure is to appropriate funds for the continued operation of the Path Clinic in order to provide its patients with ongoing prenatal care that addresses their addictions and provide them with social service support, parenting education, and transportation.

Your Committee received testimony in support of this measure from the Department of Health; Healthy Mothers Healthy Babies Coalition of Hawaii, Democratic Party of Hawai'i; Hawaii Medical Association; Community Alliance on Prisons; The Drug Policy Action Group; The Drug Policy Forum of Hawai'i; March of Dimes Foundation Hawaii Chapter; Planned Parenthood of Hawaii; Hawai'i State Democratic Women's Caucus; League of Women Voters of Hawaii; and five private citizens.

Your Committee acknowledges that the Path Clinic is a comprehensive perinatal addiction clinic that integrates prenatal and postpartum obstetric clinical services, addiction medicine services, and social services and provides critical services that should continue to be funded.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 129, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 129, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 859 Health on H.B. No. 608**

The purpose of this measure is to appropriate funds, subject to dollar-for-dollar private matching funds, to sustain a qualified provider with Centers for Medicare and Medicaid Services certification to provide kidney and liver transplant operations in Hawaii and maintain a federally-recognized chronic kidney disease management program. The intent of this measure is to help ensure that organ transplant patients are able to remain in the islands near their support networks and receive efficient and timely care.

Your Committee received testimony in support of this measure from the National Kidney Foundation of Hawaii and three private citizens.

Your Committee finds that there is a critical need to support ongoing services provided by a Centers for Medicare and Medicaid Services-certified kidney and liver transplant provider in Hawaii to enable residents of Hawaii to receive proper care within the State, eliminating the need for them to travel great distances to receive treatment on the Mainland. Your Committee heard testimony questioning whether the State could do better than simply providing a dollar-for-dollar match of private funds. Your Committee acknowledges this concern and requests that your Committee on Ways and Means further consider this issue.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2040, to allow for further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 608, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 608, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

**SCRep. 860 (Joint) Agriculture and Economic Development and Technology on H.B. No. 667**

The purpose and intent of this measure is to require the Department of Health, with the cooperation of the Departments of Agriculture and Business, Economic Development, and Tourism, to develop a plan of action to simplify and consolidate permitting and licensing requirements for the production and processing of food by food production and processing facilities to comply with food safety requirements.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Business, Economic Development, and Tourism; and Land Use Research Foundation of Hawaii. Your Committees received testimony in opposition to this measure from the Department of Health. Your Committees received comments on this measure from Poamoho Organic Produce.

Your Committees find that as food safety becomes an increasingly important issue, the Department of Agriculture can assist the agriculture industry by providing training, certification, support, and assistance on food safety and security issues.

Your Committees have amended this measure by deleting its contents and inserting the contents of S.B. No. 1142, S.D. 2, which:

- (1) Establishes a Food Safety and Security Program within the Department of Agriculture;
- (2) Makes an appropriation in an unspecified amount to the Department of Agriculture for the Food Safety and Security Program; and
- (3) Requires the department of agriculture to adopt rules regarding the production, processing, and distribution of food products or agricultural commodities in order to meet state and federal food safety standards.

As affirmed by the records of votes of the members of your Committees on Agriculture 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. 667, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 667, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, Chun Oakland, Dela Cruz, Kouchi, Slom).

**SCRep. 861 (Joint/Majority) Agriculture and Hawaiian Affairs on H.B. No. 1483**

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to provide water at reduced rates to Molokai Irrigation System users who are lessees of Hawaiian Home Lands;
- (2) Forgive outstanding loans from Hawaiian Home Lands lessees on Molokai for the provision of water from the Molokai Irrigation System; and
- (3) Appropriate an unspecified amount to the Department of Agriculture to cover the operational costs of the Molokai Irrigation System.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands and the Sovereign Councils of the Hawaiian Homelands Assembly. Your Committees received testimony in opposition to this measure from the Hawaii Farm Bureau Federation. Your Committees received comments on this measure from the Department of Agriculture and two individuals.

Your Committees find that the Molokai Irrigation System was constructed in 1957 to provide water to native Hawaiian homestead farmers in central Molokai. Over time, the rise in the cost of delivering water to native Hawaiian homestead farmers became an economic hardship. This measure will give Hawaiian homestead farmers adequate access to the Molokai Irrigation System.

As this measure moves forward, your Committees urge the Department of Agriculture to determine and report to your Committee on Ways and Means the total amount of the loans that will be forgiven pursuant to this measure and the fiscal impact on the State. In addition, it is the intent of your Committees that the Department of Agriculture develop a plan to ensure that the reduced rate provided for in this measure is developed and implemented in a way that is pragmatic and sustainable. Lastly, your Committees encourage the Department of Agriculture and Department of Hawaiian Home Lands to explore the possibility of providing technical assistance to native Hawaiian homestead farmers to ensure that going forward these farmers have the tools and skills needed to ensure payment for use of the Molokai Irrigation System.

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 Agriculture and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1483, H.D. 1, as amended herein, and recommend

that it pass Second Reading in the form attached hereto as H.B. No. 1483, 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, 10; Ayes with Reservations (Ryan). Noes, 1 (Kidani). Excused, 4 (Chun Oakland, Kouchi, Solomon, Wakai).

**SCRep. 862 Hawaiian Affairs on H.B. No. 400**

The purpose and intent of this measure is to appropriate funds for the operating and capital improvement budgets of the Office of Hawaiian Affairs for fiscal years 2011-2012 and 2012-2013.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Papa Ola Lokahi, Aha Kiole Advisory Committee, and Association of Hawaiian Civic Clubs.

Your Committee finds that this measure, as amended by the House Committee on Finance, would reduce state General Fund monies to the Office of Hawaiian Affairs by \$98,787 during each fiscal year of the biennium period 2011-2013. Your Committee has heard that the Office of Hawaiian Affairs does not oppose the adjustments proposed in this measure, as the decrease has a direct correlation to the continued economic downturn as well as efforts by the State to reduce its significant operating deficit. Your Committee supports the response by the Office of Hawaiian Affairs that limited resources must be used efficiently in challenging circumstances.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 400, H.D. 1, and recommends that 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, 2 (Solomon, Slom).

**SCRep. 863 Hawaiian Affairs on H.B. No. 1063**

The purpose and intent of this measure is to increase from \$50,000,000 to an unspecified amount the limit up to which the Department of Hawaiian Home Lands is currently authorized to borrow or guarantee on loans to cover the Department's guarantee requirements for its housing program.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands and Department of Budget and Finance.

Your Committee finds that since Hawaiian homelands are inalienable, the Department of Hawaiian Home Lands is required to guarantee mortgage loans made for homes located on Hawaiian homelands when lenders do not have a loan assurance program. Current loan guarantees are approximately \$30,000,000, with an additional \$16,800,000 in loans to be closed over the next six months, bringing the total very close to the current \$50,000,000 ceiling. Your Committee is in support of the increase proposed by the Department, which will also allow more construction of affordable units and benefit Hawaii's construction industry and local economy.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1063, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 864 Education on H.B. No. 688**

The purpose and intent of this measure is to provide definitions of bullying, cyberbullying, and harassment in chapter 302A, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Board of Education; Department of Education; Department of the Prosecuting Attorney, City and County of Honolulu; Hawaii State Teachers Association; Hawaii Youth Services Network; Hawaii Safe Schools Coalition; GLBT Caucus of the Democratic Party of Hawaii; Japanese American Citizens League; PFLAG-Oahu; eleven individuals; three students from Kalaheo High School; and two students from Moanalua High School. Your Committee received testimony in opposition to this measure from Imua Alliance. Your Committee received comments on this measure from the Dean of the College of Education at the University of Hawai'i at Manoa, American Civil Liberties Union of Hawai'i, Mental Health America of Hawai'i, Equality Hawaii, Pride at Work Hawai'i, and two individuals.

Your Committee finds that bullying and cyberbullying among students has a detrimental effect on students' academic achievement, as well as their psychological, social, and physical well-being. Students need greater protection against bullying, cyberbullying, and harassment, in and out of the school setting.

Your Committee recognizes that the Department of Education currently has administrative rules in place that address bullying, cyberbullying, and harassment. However, your Committee finds that the Board of Education's monitoring of the Department of Education's compliance with those administrative rules is critical to ensure that the rules are enforced and Hawaii's students are being protected from this devastating and demoralizing conduct. In addition, while rules and policies against cyberbullying are important, your Committee finds that establishing a criminal offense of harassment by cyberbullying will provide greater protection to victims and deter potential bullies.

Accordingly, your Committee has amended this measure by:

- (1) Adding the contents of section 2 of S.B. No. 237, establishing the offense of harassment by cyberbullying;

- (2) Requiring the Board of Education to monitor and establish reporting requirements for the Department of Education's compliance with all administrative rules and statutes governing bullying, cyberbullying, and harassment; 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 688, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 688, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 865 (Joint) Education and Agriculture on H.B. No. 1380**

The purpose and intent of this measure is to encourage the use of local produce in Hawaii's schools by:

- (1) Establishing the Farm-to-School Program within the Department of Agriculture to increase procurement of locally-grown produce;
- (2) Establishing the Hawaii-Grown Fresh Fruit and Vegetable Program within the Department of Education to facilitate the consumption of nutritious locally-produced snacks to improve and expand the market for locally-grown produce;
- (3) Authorizing all schools to grow food in school gardens for consumption as part of their school lunch program and the Hawaii-Grown Fresh Fruit and Vegetable Program; and
- (4) Allowing the Department of Human Services to establish a Farmers-to-Food Banks pilot project to contract with Hawaii farmers so that Hawaii-grown produce may be provided to designated food banks.

Your Committees received testimony in support of this measure from the Department of Education, Hawaii Association of Independent Schools, Hawai'i Nutrition and Physical Activity Coalition, Hawaii County Nutritional and Physical Activity Coalition, Kokua Hawai'i Foundation, Hawai'i Educational Policy Center, American Heart Association, Hawaii Farm Bureau Federation, American Cancer Society, Environmental Caucus of the Democratic Party of Hawaii, three individuals, two students from Castle High School, and one student from Kauai High School. Your Committees received comments on this measure from the Department of Human Services, Department of Agriculture, Poamoho Organic Produce, Hawai'i School Garden Network Hui, and Hawai'i Island School Garden Network.

Your Committees find that providing fresh local produce in Hawaii's schools benefits local farmers and Hawaii's school children. Establishment of a Farm-to-School Program will not only provide local farmers with a market for their products, but will also educate students on the nutritional, environmental, and economic benefits of preparing and consuming Hawaii-grown produce.

Your Committees have amended this measure by:

- (1) Deleting the language that would have established and appropriated funds for the Hawaii-Grown Fresh Fruit and Vegetable Program;
- (2) Deleting the language authorizing schools to grow food for consumption in school gardens;
- (3) Establishing a Hawaii-Grown Produce in Schools Task Force to:
  - (A) Examine the feasibility of establishing school gardens to grow food for consumption as part of each school's lunch program;
  - (B) Examine the feasibility of establishing a Hawaii-Grown Fresh Fruit and Vegetable Program; and
  - (C) Advise the Department of Agriculture in the creation and implementation of the Farm-to-School Program;
- (4) Removing section 2 of the measure which would have established the Farmers-to-Food Banks pilot project; and
- (5) 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 Education and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1380, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1380, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Kouchi, Shimabukuro, Taniguchi).

**SCRep. 866 Economic Development and Technology on H.B. No. 1300**

The purpose and intent of this measure is to:

- (1) Require the Department of Taxation, no later than July 1, 2013, to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically; provided that there is no additional cost to the taxpayer for the electronic filing; and
- (2) Reestablish the filing and payment deadline for various taxes to the end of the month.

Your Committee received testimony in support of this measure from the Department of Taxation, The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, and The Hawaii Business League. Your Committee received comments on this measure from the Tax Foundation of Hawaii.



Your Committee previously heard and amended S.B. No. 756, which contained comparable provisions. Your Committee has amended this measure by deleting its contents and replacing them with certain provisions in S.B. No. 756, S.D. 2, that relate to electronic filing, electronic payments, and the payment of taxes on the last day of the month. As amended, this measure:

- (1) Deletes July 1, 2013, as the starting date by which the Department of Taxation would have been required to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically;
- (2) Changes from \$100,000 to an unspecified amount the threshold of tax liability above which a taxpayer shall be required to remit taxes by one of the means of electronic funds transfer;
- (3) Reestablishes the filing and payment deadline of various taxes, including but not limited to quarterly filing and the payment of periodic insurance premium taxes requirements to last day of the month by repealing Act 22, Session Laws of Hawaii 2010;
- (4) Changes the effective date from July 1, 2012, to July 1, 2050, to allow for further discussion; and
- (5) Makes 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 H.B. No. 1300, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1300, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 867 Economic Development and Technology on H.B. No. 1307**

The purpose and intent of this measure is to:

- (1) Provide a temporary nonrefundable tax credit equal to four percent of residential construction and remodeling costs; and
- (2) Require the Department of Taxation to report to the Legislature prior to the 2012 Regular Session comparing the impact on jobs and the state budget for various tax credit applications.

Your Committee received testimony in support of this measure from the Department of Taxation, General Contractors Association of Hawaii, Subcontractors Association of Hawaii, Hawai'i Association of REALTORS, Building Industry Association of Hawaii, and The Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee on Ways and Means previously heard and amended a companion measure, S.B. No. 654. Your Committee has amended this measure by deleting its contents and replacing them with the language in S.B. No. 654, S.D. 1. As amended, this measure:

- (1) Sets forth a findings and purpose section;
- (2) Establishes a temporary refundable ohana residential housing income tax credit equal to the lesser of either two percent of the purchase price of a qualified principal residence, or \$6,000; and
- (3) Changes the effective date from July 1, 2012, to July 1, 2050, to allow for 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. 1307, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1307, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 868 Commerce and Consumer Protection on H.B. No. 319**

The purpose and intent of this measure is to clarify that a property owner with an open owner-builder permit is qualified for an exemption, upon a showing of hardship, from the prohibition on sale or lease of a constructed or improved property within one year of the construction or improvement.

Your Committee received testimony in support of this measure from the Contractors License Board, Hawai'i Association of REALTORS, and one private individual.

Your Committee finds that this measure clarifies an unintended inconsistency in the current law that allows an owner-builder who has completed a home construction or improvement project to receive an exemption, upon a showing of hardship, from the prohibition on selling or leasing the constructed or improved property within one year of completing the construction or improvement but does not allow the same exemption to an owner-builder who is not able to complete the construction or improvement due to a hardship. Your Committee further finds that this measure assists the Contractors License Board in determining eligibility for the hardship exemption by requiring an applicant to submit documentation of hardship.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2011; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 319, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 319, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 869 Health on H.B. No. 863**

The purpose and intent of this measure is to provide the Hawaii Health Authority an additional year to submit to the Legislature a comprehensive health plan for all individuals in the State.

Your Committee received testimony in support of this measure from Hawaii Medical Association, Hawaii Family Support Institute, and four individuals. Your Committee received comments on this measure from Hawaii Medical Service Association.

Your Committee finds that additional time is needed for the Hawaii Health Authority to adequately prepare its comprehensive health plan for all individuals in the State and that this measure allows the Authority to do so.

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. 863, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 870 Judiciary and Labor on Gov. Msg. No. 511**

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR OF THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

G.M. No. 511 SUNSHINE TOPPING, for a term to expire December 1, 2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Sunshine Topping to possess the requisite qualifications to be nominated as the Director of Human Resources Development.

Your Committee received testimony in support of the nomination of Sunshine Topping from Governor Neil Abercrombie; the Office of Hawaiian Affairs; the Deputy Comptroller, Department of Accounting and General Services; the Human Resources Officer, Department of Health; eleven members of the senior management team and program managers of the Department of Human Resources Development; ten employees of the Employee Classification and Compensation Division of the Department of Human Resources Development; thirteen employees of the Employee Relations Division of the Department of Human Resources Development; twelve employees of the Employee Staffing Division of the Department of Human Resources Development; the Society for Human Resource Management Hawaii Chapter (SHRM Hawaii); the Board of Directors of the Association of Hawaiian Civic Clubs; the Hawaii Fire Fighters Association; the United Public Workers; and eight individuals. Comments regarding the appointment of Ms. Topping were submitted by one individual.

Ms. Topping obtained her Bachelor of Arts degree from the University of Colorado, Boulder, and was a Master's degree candidate at the University of Hawai'i at Manoa School of Social Work. From 1996 to 1999, Ms. Topping was employed by The Boeing Company. Initially, she served as a Project Manager, which involved staffing a project and implementing a human resources management computer system in her division. Thereafter, she worked at Boeing as the Human Resources Manager, a position that involved many aspects of human resources but focused primarily on recruitment. During this time, she handled labor relations, working with more than one hundred twenty different collective bargaining contacts.

Ms. Topping subsequently moved back to Hawaii and from 2000 to 2003, served as the Senior Manager of Human Resources at Adtech/Spirent Communications, a local high-technology company, where she was responsible for the company's human resources staff and managed all aspects of human resources for the company's two thousand United States and international employees. From 2003 to 2004, Ms. Topping opened and operated her own company, the Recruiting Office, providing high-technology clients primarily with competitive recruiting services in addition to other human resource services. From 2004 to 2007, Ms. Topping became the Director of Human Resources and Ethics at NovaSol, a Hawaii high-technology company, where she designed the human resources department, including functions such as compensation analysis and alignment and compliance with state and federal laws. From 2007 until she was appointed as the Interim Director of Human Resources Development for the State of Hawaii, she served as the Director of Human Resources for Sandwich Isles Communications, a native Hawaiian owned and operated telecommunications company. Since her appointment in December 2010, Ms. Topping has served as the Interim Director of Human Resources Development.

Ms. Topping has also been involved in the community as a member of the Executive Board of the Hawaiian Way Fund, the donor program of the Council for Native Hawaiian Advancement, a tax-exempt, nonprofit corporation that supports community practitioners and initiatives that embrace Hawaiian culture, including halau hula, charter schools, and community groups working on environmental, cultural, and youth and family projects. She has also served as a member of Hui Makua o Kawaiaha'o, the Honolulu Advertiser Community Advisory Board, and the Hawaii Science and Technology Council's Workforce Development Team. Moreover, Ms. Topping has served as a volunteer leader of SHRM Hawaii, informing legislators and decision-makers about the potential effects of proposed human resource-related legislation. In this capacity, she helped to research and provide testimony about numerous legislative initiatives and to educate legislators in individual meetings and at group outreach events.

Testimony in support of Ms. Topping's nomination emphasized her broad human resource experience in large and small companies as well as with her own company. Her experience includes labor relations with numerous collective bargaining contracts and integration of human resource computer systems to manage human resource departments. Testifiers also praised her leadership skills,

commitment, integrity, understanding, management abilities, professional relationships, strong people skills, thoughtfulness, and openness to new ideas and input from those around her.

Your Committee is particularly impressed with the number of employees of the Department of Human Resources Development who submitted testimony in support of Ms. Topping's nomination. These employees testified that she is personable, energetic, open, and willing to listen and understand, and that they appreciate her support of their efforts to provide quality services and to pursue new projects and ideas. This testimony highlights the positive and refreshing change that Ms. Topping has made within the Department in the limited time that she has served as its Interim Director. Your Committee understands that Ms. Topping's inclusive management style and passion for human resources as a profession have invigorated the Department despite an increased workload and cuts to positions and resources.

During her testimony before your Committee, Ms. Topping relayed that her nomination reflects Governor Abercrombie's desire to encourage state employees. Based on the testimony submitted and Ms. Topping's statement and testimony, your Committee believes that Ms. Topping is the ideal person to accomplish this goal.

Your Committee finds that, based on the testimony submitted, Ms. Topping is exceptionally qualified to serve as the Director of Human Resources Development. With her diverse experience within the field of human resources, Ms. Topping will bring a broad perspective and valuable experience in human resource issues that can provide the Department with fresh ideas. Additionally, her experience working with SHRM Hawaii has given her the experience to work with the Legislature and individual legislators to explain and clarify human resource and employment issues. Your Committee believes that Ms. Topping's expertise in the human resource area and her inclusive management style will serve the Department very well.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 871 Health on Gov. Msg. No. 527**

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR OF THE DEPARTMENT OF HEALTH

G.M. No. 527 LORETTA J. FUDDY, for a term to expire December 1, 2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Loretta J. Fuddy to possess the requisite qualifications to be nominated as Director of Health.

Your Committee received testimony in support of the nomination of Loretta J. Fuddy from the Governor of the State of Hawaii; Executive Office on Aging; Department of Health, Environmental Health Administration; Department of Health, Developmental Disabilities Division; Office of Environmental Quality Control; Community Empowerment Services; Hui No Ke Ola Pono, Inc.; Puna Community Medical Center; Co-Cathedral of Saint Theresa of the Child Jesus; American Medical Response; Hawai'i Women's Political Caucus; Coalition for a Tobacco-Free Hawai'i; Kapi'olani Child Protection Center; Early Learning Council; PHOCUSED; Goodwill Industries of Hawaii, Inc.; Hawai'i Primary Care Association; Healthcare Association of Hawaii; Good Beginnings Alliance; Molokai Community Health Center; Waianae Coast Comprehensive Health Center; Child Welfare Services State Advisory Council; American Cancer Society Hawai'i Pacific, Inc.; Aloha United Way; Hawaii Health Information Corporation; Board of Directors, Hawaii Health Systems Corporation; Hawaii Long Term Care Association; Hawai'i Nutrition and Physical Activity Coalition; Parents and Children Together; Papa Ola Lokahi; Catholic Charities Hawai'i; Healthy Mothers Healthy Babies Coalition of Hawai'i; Kokua Kalih Valley Comprehensive Family Services; Hawai'i Pacific Health; American Academy of Pediatrics, Hawai'i Chapter; Abilities Unlimited; Association of Maternal & Child Health Programs; PATH Peoples Advocacy for Trails Hawai'i; Center on Disability Studies; Child & Family Service; Ho'ola Lahui Hawai'i; Injury Prevention Advisory Committee; March of Dimes Foundation, Hawaii Chapter; and forty-six private individuals.

Upon review of the testimony, your Committee finds that Ms. Fuddy's extensive experience, demonstrated leadership abilities, compassion, personal integrity, and commitment to serving the health care needs of children and adults throughout the State make her well-qualified for the position of Director of Health.

Ms. Fuddy has an extensive educational background, receiving a Bachelor of Arts degree in Sociology and Masters' degrees in Social Work and Public Health from the University of Hawaii. Ms. Fuddy also was a doctoral candidate at Johns Hopkins University.

Ms. Fuddy brings to the Department of Health over thirty-five years of experience in health services and public health administration. Ms. Fuddy began her career at the Department of Health as an entry-level staffer and quickly progressed to upper-level management, holding positions as Social Worker III, Social Worker IV, Learning Disability Section Supervisor, Perinatal Health Services Section Supervisor, Maternal and Child Health Branch Chief, Family Health Services Division Chief, and Deputy Director of Health.

Ms. Fuddy currently serves as the Acting Director of Health. With a budget of approximately \$900,000,000 and a staff of approximately 3,000 employees, Ms. Fuddy has had to confront the State's complex health care needs and has risen to the challenge, proving her ability, dedication, and commitment of meeting those needs even under difficult budgetary constraints.

Your Committee also finds that Ms. Fuddy is an effective administrator, social worker, and advocate for affordable and effective health care. She has worked fervently on issues such as substance abuse, mental health, violence prevention, disease control and prevention, infant mortality, prenatal care, early head start, childhood lead poisoning, learning disabilities, child abuse, wellness, and affordable care.

Your Committee notes that Ms. Fuddy has not only been actively involved in improving the health care options for the people of the State of Hawaii, but she has also been active at the national level through collaborative efforts with the Public Health Association, Association of State and Territorial Public Health Officers, National Association of Social Workers, and the Association of Maternal and Child Health Programs. Her dedication to improving the availability of quality, affordable health care for all of Hawaii's residents is unquestioned.

Your Committee finds that, based on the testimony submitted, Ms. Fuddy is uniquely qualified to serve as the Director of Health. Her previous work experiences and positions demonstrate her knowledge and ability to oversee the Department of Health. Her leadership qualities will foster transparency, collaboration, partnership, and engagement among the Legislature, community, health care providers, social service organizations, and Department of Health. Your Committee believes that Ms. Fuddy's expertise, leadership, honesty, intelligence, and commitment to public health will allow her to serve the State and the Department of Health well.

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, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 872 (Joint) Health and Public Safety, Government Operations, and Military Affairs on H.B. No. 1654**

The purpose and intent of this measure is to terminate conditional use permits issued by a county agency to group living facilities or group homes that do not use the permits or cease operations for one year, in order to address the continued need for the establishment and operation of group living facilities in residential communities.

Your Committees received testimony in support of this measure from two private individuals.

Your Committees find that there is an ongoing need for group living facilities throughout the State and that this measure will help ensure that unused permits are made available to organizations that will actually use them to provide these critical group home services.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) 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 Health and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1654, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1654, 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, 3 (Ryan, Shimabukuro, Slom).

**SCRep. 873 (Joint) Health and Public Safety, Government Operations, and Military Affairs on H.B. No. 1071**

The purpose and intent of this measure is to establish a compliance reporting mechanism for persons found unfit to stand trial who are conditionally released to the community in order to further protect the safety of Hawaii's residents.

Your Committees received testimony in support of this measure from the Department of Health; Department of the Prosecuting Attorney, City and County of Honolulu; and one private individual.

Your Committees find that when a defendant is conditionally released after a finding of unfitness to proceed, this measure would provide much needed monitoring of released individuals and added security for residents of the State by requiring the Department of Health to establish and monitor a fitness restoration program that is consistent with conditions set by a court order and to inform the Department of Public Safety's Intake Service Center of the plan and the defendant's ongoing compliance with the fitness restoration program.

Your Committees have amended this measure by:

- (1) Changing the effective date to upon approval; and
- (2) 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 Health and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1071, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1071, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Ryan, Shimabukuro, Slom).

**SCRep. 874 Commerce and Consumer Protection on H.B. No. 1004**

The purpose and intent of this measure is to clarify the existing antitrust law to reconfirm the right of government entities to bring actions for damages notwithstanding the government entities' status as indirect purchasers.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that this measure will provide the State an opportunity to seek redress where the State has been harmed by antitrust violations. Your Committee further finds that the current law has prevented the State from pursuing suit for identified antitrust violations involving matters such as systemic price fixing that would have properly resulted in reimbursement to the State for overcharges and other damages. Finally, your Committee finds that this measure does not create any new violations or enable undue expansion of damage awards. Rather, this measure allows the State to pursue proper remedies for actual economic harm suffered by the State because of the unlawful market conduct of outside entities.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2011; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1004, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1004, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 875 (Joint) Commerce and Consumer Protection and Transportation and International Affairs on H.B. No. 1094**

The purpose and intent of this measure is to amend the licensing process and medical requirements for commercial driver's licensing to comply with the Federal Motor Carrier Safety Regulations.

Your Committees received testimony in support of this measure from the Hawaii Transportation Association.

Your Committees find that the amendments to existing state law proposed by this measure are necessary to comply with the requirements of the Federal Motor Carrier Safety Regulations. Specifically, your Committees find that this measure will allow the examiner of drivers to withhold the authority to operate under a commercial driver's license from individuals who do not meet the medical criteria required to ensure safe operation of a commercial motor vehicle. Your Committees note that failure to make the amendments to existing law proposed by this measure will result in noncompliance with controlling federal regulations and will subject the State to significant penalties in the form of the withholding of federal funds each year that the State remains out of compliance.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2011; and
- (2) 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 Commerce and Consumer Protection and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1094, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1094, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Gabbard, Kouchi).

**SCRep. 876 (Joint) Health and Commerce and Consumer Protection on H.B. No. 1134**

The purpose and intent of this measure is to eliminate all provisions for and references to the termination of the Hawaii Prepaid Health Care Act, despite anticipated future federal health care reform legislation, to allow the people of Hawaii to have continued access to health care benefits and services.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii Association of Health Plans, Hawaii Medical Service Association, American Cancer Society, AARP Hawaii, and one private citizen. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and The Chamber of Commerce of Hawaii.

Your Committees find that although national affordable health care discussions may result in better health care, reforms have yet to materialize, whereas Hawaii's Prepaid Health Care Act has been in effect for almost four decades, and the superior health benefits and services enjoyed by Hawaii residents validates Hawaii's Prepaid Health Care Act as successful legislation that should be retained.

Your Committees have amended this measure by making this measure effective upon approval.

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 H.B. No. 1134, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1134, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Nishihara, Shimabukuro, Solomon, Wakai).

**SCRep. 877 (Joint/Majority) Health and Education on H.B. No. 902**

The purpose and intent of this measure is to establish the Hawaii Medical Doctor Loan Program for University of Hawaii medical school graduates and medical school graduates with training from Hawaii-based medical programs working in rural areas of the State, in order to encourage doctors to practice in underserved areas throughout Hawaii.

Your Committees received testimony in support of this measure from the University of Hawai'i System, Workforce Development Council, Hawaii Medical Association, Healthcare Association of Hawaii, and one private individual.

Your Committees acknowledge that the delivery of health care services and the escalating costs of education have resulted in severe shortages of health care professionals. A poor distribution of health care professionals has resulted in a surplus of these professionals in some areas of the State and a shortage in other parts of the State, particularly in the more rural areas. The salary potential for health care professionals in health professional shortage areas is often not as favorable when compared to non-shortage areas. Your Committees find that there is a need to provide incentives not only for doctors, but also nurse practitioners and physician assistants to practice in the underserved areas. Your Committees also find that there is a similar measure, S.B. No. 596, S.D. 2 (2011), that provides additional benefits to support the goal of reducing these rural shortages, and the provisions of S.B. No. 596, S.D. 2 (2011), should be incorporated into this measure.

Accordingly, your Committees have amended this measure by:

- (1) Adding definitions for various terms;
- (2) Establishing the Hawaii Health Corps Program to encourage physicians, physician assistants, and nurse practitioners to serve in counties having shortages of trained health care professionals;
- (3) Establishing the Hawaii Rural Health Care Loan Repayment Program, which partners with financial institutions to make loan repayment assistance to eligible licensed practitioners;
- (4) Imposing a first responder service obligation, whereby in the event of a civil defense emergency, practitioners participating in the Hawaii Health Corps Program may be ordered into service by the Governor as first medical responders;
- (5) Eliminating the Hawaii Medical Doctor Loan Program Revolving Fund;
- (6) Establishing the Hawaii Health Corps Revolving Fund;
- (7) Requiring the University of Hawaii John A. Burns School of Medicine and the University of Hawaii at Manoa School of Nursing and Dental Hygiene to implement the Hawaii Health Corps Program no later than June 30, 2012; and
- (8) Appropriating funds:
  - (A) For the implementation and administration of the Hawaii Health Corps Program;
  - (B) To implement and sustain the Hilo Medical Center's Rural Interdisciplinary Residency Program;
  - (C) For the University of Hawaii's continued participation in accreditation processes;
  - (D) To increase the number of family medicine and nursing residency slots, and to establish rotations on other islands; and
  - (E) To provide stipends to each qualifying medical and nursing resident in a family medicine or nursing residency at the Hilo Medical Center.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 902, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 902, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 3 (Baker, Shimabukuro, Wakai).

**SCRep. 878 (Joint) Economic Development and Technology and Commerce and Consumer Protection on H.B. No. 980**

The purpose and intent of this measure is to require:

- (1) Each state agency with administrative rules that affect small business to report before August 15 each year to the Small Business Regulatory Review Board on the impact of statutory changes on those rules;
- (2) The Governor to direct each state agency to work with the Small Business Regulatory Review Board to develop internal processes to expedite rulemaking actions for rules that affect small business and require amendment or adoption; and
- (3) The Small Business Regulatory Review Board to report to the Legislature in 2012 and 2013, and thereafter as necessary, on implementation of the Act.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; National Federal of Independent Business Hawaii; and Hawaii Farm Bureau Federation. Your Committees received comments on this measure from the Department of Budget and Finance and one individual.

Your Committees previously heard and amended S.B. No. 1498, which contained comparable and additional provisions related to the Small Business Regulatory Review Board. Your Committees have amended this measure by deleting its contents and replacing them with the language in S.B. No. 1498, S.D. 2. As amended, this measure:

- (1) Transfers the Small Business Regulatory Review Board, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs, and authorizes the expenses of the Board to be funded from the Compliance Resolution Fund; provided that the Board is not required to charge any fee for its service;
- (2) Requires each state agency to notify the Small Business Regulatory Review Board by June 30 of each year of any rules to be amended or repealed to reflect statutory amendments or repeals;

- (3) Amends the findings and purpose section to reflect its amended purpose; and
- (4) Changes the effective date from July 1, 2112, to July 1, 2050, to allow for further discussion.

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. 980, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 980, 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, 3 (Green, Solomon, Taniguchi).

**SCRep. 879      Transportation and International Affairs on H.B. No. 424**

The purpose and intent of this measure is to extend the temporary exemption from the State's environmental impact statement law afforded to certain actions involving infrastructure within existing public rights-of-way.

Your Committee received testimony in support of this measure from Hawaiian Electric Company, Inc.; NAIOP Hawaii, Commercial Real Estate Development Association; The Chamber of Commerce of Hawaii; Hawai'i Association of REALTORS; and Land Use Research Foundation of Hawaii. Comments were received from the Office of Environmental Quality Control and one individual.

This measure extends the sunset date of Act 87, Session Laws of Hawaii 2009, from July 1, 2011, to July 1, 2013. Act 87 exempts a primary from chapter 343, Hawaii Revised Statutes, the environmental impact statements law, action that requires a permit or approval that is not subject to a discretionary consent and that involves a secondary action that is ancillary and limited to the installation, improvement, renovation, construction, or development of infrastructure within an existing public right-of-way or highway.

Your Committee finds that Act 87 has raised concerns and questions about the application of chapter 343, Hawaii Revised Statutes, as it pertains to primary and secondary actions. This measure allows more time to resolve these issues.

Your Committee has amended this measure by requiring the Office of Environmental Quality Control to report findings and recommendations, including proposed legislation, to the Legislature no later than twenty days before the convening of the Regular Session of 2012, regarding issues related to the application of chapter 343, Hawaii Revised Statutes, and the effectiveness of Act 87, Session Laws of Hawaii 2009.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 424, S.D. 1, and be referred to the Committee on Energy and Environment.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kouchi).

**SCRep. 880      Transportation and International Affairs on H.B. No. 1093**

The purpose and intent of this measure is to clarify the commercial driver licensing law with respect to alcohol concentration level of an individual driving a commercial vehicle.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and Hawaii Transportation Association.

This measure amends the definition of "driving a commercial motor vehicle while under the influence of an intoxicant" to include driving a commercial motor vehicle while the person's alcohol concentration is 0.04 or more grams of alcohol per two hundred ten liters of breath or 0.04 or more grams of alcohol per one hundred milliliters or cubic centimeters of blood, and makes conforming amendments to appropriate statutory provisions.

Your Committee finds that this measure conforms the wording of Hawaii's law to that of the federal regulations relating to commercial driver licensing, and to the statute relating to driving while under the influence of an intoxicant except for the alcohol percent content threshold, which remains at 0.04 grams.

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 and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1093, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1093, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kouchi).

**SCRep. 881      Transportation and International Affairs on H.B. No. 393**

The purpose and intent of this measure is to require any court of competent jurisdiction to immediately revoke the license of any driver for a period of up to five years upon a conviction of the driver of negligent homicide in the first degree or negligent homicide in the second degree. This measure also clarifies that a court may sentence a person convicted of the class A felony of manslaughter for up to two years of imprisonment.

Your Committee received testimony in support of this measure from the Department of the Attorney General, County of Maui Department of the Prosecuting Attorney, and Mothers Against Drunk Driving HAWAII. Your Committee received testimony in opposition to this measure from one individual.

Section 286-124, Hawaii Revised Statutes, currently requires the court to revoke the license of any driver convicted of a manslaughter offense resulting from the operation of a motor vehicle, but it does not specify any time period for the mandatory revocation. While this measure sets the maximum possible terms for the mandatory license revocation, the court retains discretion to determine the specific period of revocation that should be imposed to protect the public from these dangerous drivers.

Your Committee has amended this measure by:

- (1) Making the measure effective upon approval; 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 393, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 393, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kouchi).

**SCRep. 882 (Joint) Transportation and International Affairs and Agriculture on H.B. No. 1568**

The purpose and intent of this measure is to:

- (1) Require the Aloha Tower Development Corporation to provide biosecurity and inspection facilities to the Department of Agriculture at the Aloha Tower Complex, and to require the Department of Transportation to provide biosecurity and inspection facilities to the Department of Agriculture at various harbors and airports; and
- (2) Make an appropriation for the Department of Agriculture to reimburse the Department of Transportation for establishing biosecurity and inspection facilities.

Your Committees received testimony in support of this measure from the Department of Transportation, Department of Land and Natural Resources, Mayors of the City and County of Honolulu, Maui, and Hawai'i, Maui Invasive Species Committee, The Nature Conservancy, Coordinating Group on Alien Pest Species, Hawaii Farm Bureau Federation, Maui Hotel and Lodging Association, and six individuals. Your Committees received comments on this measure from the Airlines Committee of Hawaii and Air Transport Association.

Your Committees find that the efficient and secure movement of agricultural commodities - whether imported into the State, exported out of the State, or transported between the islands of the State - is key to the long-term viability of Hawaii's agriculture industry. The inspection and proper treatment of incoming and outgoing commodities reduce the probability of the introduction of new pests to Hawaii's agricultural industry and reduce the likelihood of a quarantine on Hawaii's exported goods. Your Committees further find that appropriate inspection facilities and consistent inspection activities are crucial to protecting the health, safety, and welfare of the public and the environment, as transportation by air and sea have been identified as the risk pathways for invasive species into the State of Hawaii. The intent of your Committees is to reduce the likelihood of economic losses associated with additional invasive species introductions, as well as to avoid the imposition of a quarantine on Hawaii's exported goods.

Your Committees have amended this measure by:

- (1) Clarifying that the Department of Transportation is entitled to reimbursement in full from the Department of Agriculture and the Aloha Tower Development Corporation, as applicable, for the costs of design and construction of biosecurity and inspection facilities at the Aloha Tower Complex;
- (2) Clarifying that the Department of Transportation is entitled to reimbursement in full from the Department of Agriculture for the costs of design and construction of biosecurity and inspection facilities at the airports and harbors;
- (3) Changing the effective date to July 1, 2011; and
- (4) 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 Transportation and International Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1568, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1568, 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 (Gabbard, Kouchi, Shimabukuro, Tokuda, Wakai).

**SCRep. 883 Transportation and International Affairs on H.B. No. 775**

The purpose and intent of this measure is to assist the State in addressing its budgetary needs by transferring all monies contained in the Photo Enforcement Revolving Fund to the General Fund.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association.

Act 240, Session Laws of Hawaii 2000, established the Photo Enforcement Revolving Fund, which was repealed by Act 58, Session Laws of Hawaii 2002, along with the Photo Red Light Imaging and Photo Speed Detection System enacted by Act 234, Session Laws of Hawaii 1998. Act 58 also required that all monies in the Photo Enforcement Revolving Fund be transferred to the General Fund. However, records appear to indicate that a balance of \$3,480,000 remains in the Revolving Fund. Your Committee finds that given the State's current fiscal situation, restating the directive that the unused funds be transferred to the General Fund is prudent.



As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 775, and recommends that 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 (Kouchi).

**SCRep. 884 (Majority) Transportation and International Affairs on H.B. No. 993**

The purpose and intent of this measure is to develop alternative means of transportation between the islands of the State by:

- (1) Establishing the Hawaii Marine Highway System;
- (2) Requiring the Department of Transportation to administer the System by:
  - (A) Developing a comprehensive long-range plan for the development and improvement of the System;
  - (B) Constructing, purchasing, or leasing ferry terminal facilities throughout the State; and
  - (C) Repairing and maintaining ferry terminal facilities throughout the State; and
- (3) Creating the Hawaii Marine Highway System Fund within the state treasury, which funds are to be used for the operation and maintenance of the System.

Your Committee received testimony in support of this measure from the Department of Transportation and four individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

This measure is patterned after the Alaska Marine Highway System, which is a ferry service operated by the State of Alaska to provide for the efficient transportation of people, goods, and vehicles. The Alaska Marine Highway System has been in operation since 1963 and is part of the United States National Highway System, which is a network of primary highways and federally designated ferry routes, for inclusion in the Federal Highway System to be eligible to receive federal funding for capital improvements.

Your Committee finds that Hawaii, as an island state, would benefit from a ferry service as an alternative to a highway system to connect all the islands of the State.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 993, 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, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 885 (Majority) Transportation and International Affairs on H.B. No. 1239**

The purpose and intent of this measure is to enhance transportation between the Hawaiian Islands by:

- (1) Establishing the Hawaii State Ferry System Authority to develop the Hawaii State Ferry System that will transport passengers and cargo between the Hawaiian Islands;
- (2) Establishing the Hawaii State Ferry System Special Fund to operate the Hawaii State Ferry System; and
- (3) Appropriating funds for the start-up and operation of the Hawaii State Ferry System.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawaii Farm Bureau Federation, and one individual. Your Committee received testimony in opposition to this measure from Sea Link of Hawaii. Your Committee received comments on this measure from the Department of Budget and Finance and one individual.

Your Committee finds that viable agriculture in Hawaii is dependent upon an efficient, reliable, and affordable transportation system. With the individual islands of Hawaii separated by vast expanses of water, and given that agricultural production areas are distant from population centers, the goal of increased self-sufficiency for the State is dependent upon a sound transportation system. The Hawaii State Ferry System contemplated by this measure provides an option that merits further exploration.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1239, 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, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 886 Transportation and International Affairs on H.B. No. 1039**

The purpose and intent of this measure is to enact the federal highway revenue anticipation notes and bonds law.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The purpose and intent of the proposed S.D. 1 is to provide rent relief to airport concessions that have a guaranteed rent formula with the State, and to extend the sunset date of Act 33, Special Session Laws of Hawaii 2009, from July 1, 2011, to July 1, 2012. The proposed S.D. 1 takes effect on June 30, 2011.

Your Committee received testimony in support of the proposed S.D. 1 from the Airports Concessionaires Committee; Human Services Host; Tiare Enterprises, Inc.; International Currency Exchange; Greeters of Hawaii, Ltd.; DFS Hawaii Division; EAN

Holdings, LLC; and Island Shoppers, Incorporated. Your Committee received comments on the proposed S.D. 1 from the Department of Transportation and Airlines Committee of Hawaii.

Act 33, Special Session Laws of Hawaii 2009, sought to provide the Department of Transportation with the discretion and flexibility to provide relief to various airport concessions due to sudden, extraordinary, and severe economic events. The Legislature recognized that the Department of Transportation's relief efforts were not fair to all concessions in that some concessions had a self-adjusting eighty-five percent guaranteed rent adjusting formula that provided relief for adverse economic events. Other concessions had a guaranteed rent formula that does not allow for fluctuations in economic circumstances.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the proposed S.D. 1 by clarifying that the Governor, or the Director of Transportation if so requested by the Governor, shall have the discretion and authority to provide additional relief to airport concessions.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1039, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1039, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kouchi).

**SCRep. 887 (Joint) Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs on H.B. No. 261**

The purpose and intent of this measure is to exempt the rulemaking authority of semi-autonomous county public transit agencies from approval by the Mayor of their respective counties.

Your Committees received testimony in support of this measure from the City and County of Honolulu Department of Transportation Services.

In 2010, the voters of the City and County of Honolulu approved a charter amendment to establish a semi-autonomous county public transit authority and charge this authority with the planning, construction, operation, maintenance, expansion, and management of Honolulu's fixed guideway mass transit system, known officially as the Honolulu Authority for Rapid Transportation. This measure provides the Authority with rulemaking authority to carry out its mandate efficiently and effectively.

Your Committees have amended this measure by changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 261, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 261, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Gabbard, Kidani, Kouchi).

**SCRep. 888 Public Safety, Government Operations, and Military Affairs on H.B. No. 1532**

The purpose and intent of this measure is to help reduce the number of appeals to the Tax Appeal Court by requiring:

- (1) A real property tax assessment appellant to obtain an initial decision from an administrative body established by county ordinance prior to appealing to the Tax Appeal Court when required to do so by county law; and
- (2) The notice of appeal to be accompanied by a copy of the decision rendered by the administrative body.

Your Committee received testimony in support of this measure from the Department of Budget and Fiscal Services of the City and County of Honolulu, the County of Maui Real Property Tax Division, the Mayor of the County of Maui, and a member of the Maui County Council. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that taxpayers currently have the option of appealing a disputed real property tax assessment with either the Tax Appeal Court or a county board of review. Your Committee further finds that the current wait for a trial date for cases filed with the Tax Appeal Court is approximately eighteen months. This measure will help to alleviate the workload of the Tax Appeal Court and allow for a quicker resolution of real property tax appeals at the county review level.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1532, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1532, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 889 Public Safety, Government Operations, and Military Affairs on H.B. No. 1640**

The purpose and intent of this measure is to mandate the Department of the Attorney General to work with the counties to allow county employees to issue civil identification at the same locations where driver's licenses are issued.

Your Committee received testimony in support of this measure from the Department of the Attorney General and one individual.

Your Committee finds that it is critical that all of Hawaii's citizens obtain some form of state identification. While some individuals use their state driver's licenses as their state identification, those without driver's licenses are forced to obtain civil identifications, which are available from only a few locations throughout the State. This measure would significantly improve access to certificates of identification for Hawaii's residents.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1640, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 890 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on H.B. No. 270**

The purpose and intent of this measure is to eliminate the public auction requirement for the disposition of easements of county property for a specific purpose.

Your Committees received testimony in support of this measure from the City and County of Honolulu and Hawaiian Electric Company, Inc.

Your Committees find that eliminating the public auction requirement for the disposition of easements will streamline the process whereby the counties, upon approval of the respective county council, can grant easements over county land.

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 Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 270, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 270, 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 (Ryan). Noes, none. Excused, 3 (Fukunaga, Tokuda, Slom).

**SCRep. 891 (Joint) Energy and Environment and Water, Land, and Housing on H.B. No. 122**

The purpose and intent of this measure is to encourage the development of renewable energy facilities in Hawaii by extending to July 1, 2020, the exemption for renewable energy projects from subdivision requirements on state agricultural or conservation lands.

Your Committees received testimony in support of this measure from William J. Aila, Jr., Department of Land and Natural Resources; Richard Lim, Department of Business, Economic Development, and Tourism; Kapu C. Smith, Kamehameha Schools; Dave Arakawa, Land Use Research Foundation of Hawaii; and Mark Duda, Hawaii Solar Energy Association.

Your Committees find that the development of renewable energy facilities may generate broad societal benefits including increased energy security, resistance to fluctuations in oil prices, environmental sustainability, economic development, and job creation. In order to develop and finance renewable energy facilities, a site for the facilities and access to the site must often be leased, granted as an easement, or mortgaged. Your Committees further find that renewable energy projects may require site acreage or configurations that do not coincide with existing, already subdivided lot boundaries and that current subdivision laws generally prohibit the transfer of an interest in land that is not an entire subdivided lot or easement that has been approved by the applicable county. Act 173, Session Laws of Hawaii 2009, was enacted to address this issue and extending the sunset date of Act 173 will continue to encourage the development of renewable energy facilities and assist Hawaii in meeting its clean energy goals.

Your Committees further find that there is some ambiguity as to what types of facilities, in addition to solar, are eligible for the exemption and that wind energy facilities should be clearly delineated as eligible for the exemption.

Your Committees have amended this measure by:

- (1) Clarifying that wind energy facilities are included in the exemption; and
- (2) Amending the purpose section accordingly.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 122, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 122, H.D. 1, S.D. 1, and be referred to the Committee on Agriculture.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (English, Fukunaga, Slom, Tokuda).

**SCRep. 892 Energy and Environment on H.B. No. 423**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Carbon Bio-Engineers, Inc., or a partnership in which Carbon Bio-Engineers, Inc., is a general partner, with the establishment of cogeneration and related energy-production facilities at various locations in the State.

Your Committee received testimony in support of this measure from Dante Carpenter, Carbon Bio-Engineers, Inc. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that this measure will ultimately help to reduce the State's dependence on fossil fuels, its need for increased landfill space, and costs associated with transportation and disposal of waste, including organic feedstock and tires. Your Committee recognizes that under the Internal Revenue Code there is a limitation on the amount of tax-exempt financing for industrial projects and that Carbon Bio-Engineers, Inc., may have to consult with a bond counsel firm to determine whether the project may qualify for the full amount of tax-exempt financing.

Your Committee has amended this measure by:

- (1) Inserting an authorization amount of \$40,000,000; and
- (2) Changing the effective date to upon approval.

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. 423, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 423, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Slom).

**SCRep. 893 Energy and Environment on H.B. No. 855**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Pacific Power and Water Company, Inc. with the planning, permitting, designing, construction, equipping, and operating of hydropower facilities throughout the State.

Your Committee received testimony in support of this measure from Patrick Sullivan, Pacific Power and Water Company, Inc. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that the hydropower projects for which assistance is requested will produce renewable energy, generate revenue for much needed dam maintenance and repair, generate jobs in the renewable energy sector, and reduce the State's overall dependence on fossil fuels. Your Committee also finds, however, that Pacific Power and Water Company, Inc., needs to provide clarifying information to your Committees on Energy and Environment and Ways and Means by April 15, 2011, and that this information shall include statements, without rendering opinions, from the Department of Business, Economic Development, and Tourism and the Department of Budget and Finance stating that both agencies have reviewed the project's business plan and, in the statement from the Department of Budget and Finance, that the agency has reviewed the company's financial statements. Your Committee also recognizes that under the Internal Revenue Code there is a limitation on the amount of tax-exempt financing for industrial projects but that Pacific Power and Water Company Inc., has indicated to the Department of Budget and Finance that they have consulted with bond counsel and believe that their project is eligible for \$25,000,000 of special purpose revenue bond financing.

Your Committee has amended this measure by:

- (1) Changing the dates in sections 4 and 5 of the measure to June 30, 2016, in order to be consistent with the usual five-year authorization for the issuance of special purpose revenue bonds;
- (2) Inserting an authorization amount of \$25,000,000; and
- (3) Changing the effective date to upon approval.

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. 855, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 855, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Slom).

**SCRep. 894 Tourism on H.B. No. 548**

The purpose of this measure is to hold authors and publishers of visitor websites and publications liable to readers who suffer injury or death as a result of being enticed to go onto private or public lands from which the public is excluded. The intent of this measure is to reduce trespassing and prevent or diminish risk of serious injury or death to visitors of Hawaii who trespass onto certain lands.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawai'i Tourism Authority; Land Use Research Foundation of Hawaii; Grove Farm Company, Inc.; Hawaii Farm Bureau Federation; Enterprise Honolulu; Pahio Development, Inc.; and two private citizens. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawai'i; This Week Magazines; The Islander Group; Sierra Club Hawai'i Chapter; Hawaii Publishers Association; Association of American Publishers, Inc.; Media Coalition; Honolulu Publishing Company, Ltd.; Society of Professional Journalists, Hawaii Chapter; The Bess Press; Wizard Publishing, Inc.; Page Marketing, Inc.; and four private citizens. Your Committee received comments on this measure from the Hawaii Association for Justice.

Your Committee finds that there is large support for the creation of a task force to identify problem areas on all islands that pose a risk of serious injury or death to visitors. Your Committee also finds that a similar measure, S.B. No. 1207, S.D. 1 (2011), contains language that creates a task force to assist the State in identifying these problem areas.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 1207, S.D. 1. This measure, as amended:

- (1) Establishes a task force to identify problem areas on the various islands of the State and recommend remedies to reduce the incidence of trespass over privately held or public lands; and
- (2) Requires the task force to prepare and submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012.

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. 548, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 548, H.D. 3, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 895 Human Services on H.B. No. 761**

The purpose and intent of this measure is to amend references in the Hawaii Revised Statutes by substituting “intellectual disabilities”, or like term, wherever the term “mental retardation”, or like term, appears.

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Disability and Communication Access Board, Kauai Developmental Disabilities Committee, Maui County Developmental Disabilities Committee, Special Education Advisory Council, Hawaii Disability Rights Center, Hawaii Waiver Providers Association, Family Voices of Hawai‘i, and seventeen individuals.

Your Committee finds that individuals with intellectual disabilities deserve to be treated with greater dignity and respect. Changing references from “mental retardation” to “intellectual disability” within the Hawaii Revised Statutes appropriately reflects current and evolving terminology. Your Committee also finds that the term “intellectual disability” is recognized by the federal government and used in federal health, education, and labor laws. Hawaii will join the federal government, national organizations, and consumer advocacy groups that have changed their language from “mental retardation” to “intellectual disability”, and in doing so, respect people first.

Your Committee has amended this measure by:

- (1) Deleting section 18, which would have required departments affected by the amendments in this measure to adopt or amend the relevant Hawaii Administrative Rules before January 1, 2015; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 761, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 761, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 896 Human Services on H.B. No. 909**

The purpose and intent of this measure is to authorize the Family Court to:

- (1) Issue financial restraining orders during annulment, divorce, or separation proceedings; and
- (2) Consider the unauthorized dissipation of marital assets when ordering payment of attorney’s fees pursuant to a child custody, support, or maintenance order.

Your Committee received testimony in support of this measure from the Family Law Section of the Hawaii State Bar Association and eight individuals.

Your Committee finds that some parties in divorce cases engage in the improper dissipation of marital assets during the pendency of their cases and that although these actions are prohibited, there is currently no requirement for the Family Court to issue a financial restraining order to ensure that improper actions are not taken. Your Committee further finds that any unauthorized dissipation of marital assets should be considered by the Family Court when ordering payment of attorney’s fees pursuant to a child custody, support, or maintenance order. This measure will deter parties in divorce cases from improperly dissipating their marital assets prior to the divorce decree and will lead to a more just and equitable division of assets.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 909, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 909, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 897 Human Services on H.B. No. 70**

The purpose and intent of this measure is to establish a Return-to-Home Program within the Department of Human Services to provide qualified homeless individuals with assistance in reuniting with family and relatives in the individual’s home state.

Your Committee received testimony in support of this measure from Help the Hawaii Homeless and two individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that twelve percent of Hawaii's sheltered homeless and fourteen percent of Hawaii's unsheltered homeless have been in the State for one year or less. Your Committee further finds that the Return-to-Home Program proposed by this measure would help homeless persons and families return to support networks in their home states, thus reducing the burden on Hawaii's resources.

Your Committee has amended this measure by:

- (1) Deleting the requirement that an individual be receiving social services in order to be eligible for the Return-to-Home Program;
- (2) Specifying that an individual may participate in the Return-to-Home Program only once and shall sign an agreement to this effect that shall be kept on file with the Department of Human Services;
- (3) Requiring the Department of Human Services to assist program participants with public transportation to the airport and ensure that program participants are instructed in the basics of personal hygiene and have sufficient physical and mental health to endure a return flight; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 70, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 70, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Sлом).

**SCRep. 898 Human Services on H.B. No. 160**

The purpose and intent of this measure is to appropriate funds for the Kupuna Care Program.

Your Committee received testimony in support of this measure from the Executive Office on Aging; Department of Community Services, City and County of Honolulu; Maui County Office on Aging; Lanakila Pacific; Project Dana; AARP Hawaii; Hawai'i Alliance for Retired Americans; and thirteen individuals. Your Committee received comments on this measure from the State Council on Developmental Disabilities; Volunteer Legal Services Hawai'i; Hawaii Disability Rights Center; Hawaii Family Law Clinic dba Ala Kuola; Easter Seals Hawai'i; Hawaii Waiver Providers Association; Hawai'i Primary Care Association; Catholic Charities Hawai'i; Goodwill Industries of Hawaii, Inc.; Aloha United Way; PHOCUSED (Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled); Policy Advisory Board for Elder Affairs; Waikiki Community Center; Susannah Wesley Community Center; Child & Family Service; About Face Family of Programs; Good Beginnings Alliance; Partners in Development Foundation; Read To Me International Foundation; Read Aloud America, Inc.; Boys and Girls Club of Hawaii Hale Pono Ewa Beach Clubhouse; Honolulu Weed and Seed; GEAR UP Waipahu; Moloka'i Community Service Council; Hawai'i State Coalition Against Domestic Violence; The Salvation Army Addiction Treatment Services; Hawaii Substance Abuse Coalition; Life Foundation; Community Health Outreach Work Project to Prevent AIDS; Hawaii Family Support Institute; Adult Friends for Youth; Hawaii Centers for Independent Living; St. Francis Healthcare System of Hawaii; Gentry Homes, Ltd.; Haseko Development, Inc.; and three individuals.

Your Committee finds that the elderly population in Hawaii is increasing rapidly. The number of persons over age sixty-five is projected to increase by eight-six percent between 2007 and 2030. Your Committee further finds that approximately 169,000 family caregivers form the backbone of Hawaii's long-term care system, and currently provide over \$1,000,000,000 a year in unpaid care. Financial stability and the burden of providing care are the main issues for the elderly and their caregivers and families, and your Committee recognizes that they need support in the form of respite and other services.

Your Committee also finds that funding for Kupuna Care services is of vital importance, as these services support the needs of the increasing population of elderly residents in Hawaii. The appropriation for Kupuna Care in this measure is needed to help maintain the health and welfare of the State's most vulnerable seniors.

Your Committee additionally finds that the current fiscal situation of the State is threatening Hawaii's safety net of basic health, human services, and education to its most vulnerable citizens. After considering the testimony received, your Committee believes that the language in S.B. No. 935, S.D. 2, which was heard by and reported from your Committee in an earlier form, better addresses the diminishing resources in the State by maintaining essential services.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$3,500,000 for additional funding for the Kupuna Care Program;
- (2) Creating a new Part II by inserting the contents of S.B. No. 935, S.D. 2, which appropriates monies from the Emergency and Budget Reserve fund to maintain funding levels of programs for public health, safety, welfare, and education services;
- (3) Inserting various appropriation amounts into the new Part II;
- (4) Inserting a lapse date of June 30, 2013, for the appropriations made under the new Part II;
- (5) Changing the effective date to July 1, 2011; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 160, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 160, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 899 Human Services on H.B. No. 561**

The purpose and intent of this measure is to:

- (1) Require QUEST or QUEST-Net contracted programs to notify the Department of Human Services when QUEST or QUEST-Net enrollees are also covered by private health insurance; and
- (2) Ensure that private insurance is the primary payor of medical claims for persons who have health insurance coverage through QUEST or QUEST-Net programs and a private health insurance plan.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that there are persons who receive health insurance coverage through the State's QUEST or QUEST-Net program that also have private health insurance coverage. Your Committee further finds that providing benefits from a publicly-funded QUEST or QUEST-Net program when a person can afford private health insurance is contrary to the intent of the QUEST programs and should be prevented. Your Committee recognizes that QUEST providers currently notify the Department of Human Services when they discover that a member also has private insurance and that QUEST is the payor of last resort. Your Committee believes, however, that it is necessary to clearly delineate this protocol in statute.

Your Committee has amended this measure by inserting an effective date of July 1, 2055, to allow for 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 H.B. No. 561, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 561, 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 (Slom).

**SCRep. 900 (Joint) Human Services and Health on H.B. No. 569**

The purpose and intent of this measure is to:

- (1) Require Medicaid recipients to re-enroll annually;
- (2) Establish a Joint Legislative Medicaid Task Force; and
- (3) Require reimbursement parity for Medicaid beneficiaries in the same level of care in a community-based facility.

Your Committees received testimony in support of this measure from the Alliance of Residential Care Administrators and one individual. Your Committees received comments on this measure from the Department of Human Services, Hawaii Medical Service Association, AlohaCare, 'Ohana Health Plan, Healthcare Association of Hawaii, Hawaii Medical Association, and Hawaii Long Term Care Association.

Your Committees find that QUEST faced an extensive budgetary shortfall last legislative session. Your Committees further find that the Department of Human Services has suggested a number of ideas for reducing Medicaid costs. A Joint Legislative Task Force on Medicaid would identify the reasons for, and offer resolutions to, recent Medicaid shortfalls.

Your Committees received testimony in support of the Joint Legislative Task Force on Medicaid from several organizations. Your Committees note that S.B. No. 425, S.D. 2, which also establishes a Joint Legislative Task Force, was heard by your Committee on Human Services.

After considering the testimony received, your Committees believe that S.B. No. 425, S.D. 3, addresses a need to create evidence-based health and wellness alternatives that reduce the incidence of chronic disease and support Medicaid recipients and QUEST members in maintaining healthier lifestyles, as well as the need to establish a Joint Legislative Task Force on Medicaid.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and replacing them with the contents of S.B. No. 425, S.D. 3, which establishes a wellness pilot program within Medicaid, appropriates funds for its creation, and creates a Joint Legislative Task Force on Medicaid to examine issues related to Medicaid;
- (2) Clarifying the types of groups that should be represented on the Joint Legislative Task Force on Medicaid; 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 569, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 569, 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 (Baker, Slom).

**SCRep. 901 Human Services on H.B. No. 326**

The purpose of this measure is to improve access to the full range of health care services to Medicaid and QUEST members accessing services through a mobile medical van on the Island of Hawaii. The intent of this measure is to ensure that Medicaid and QUEST health plans have the flexibility to provide appropriate health services via technological means such as telehealth.

Your Committee received testimony in support of this measure from Hawaii Medical Service Association, Kona Community Hospital, and Hawaii Association of Health Plans. Your Committee received testimony in opposition to this measure from the Department of Human Services. Your Committee received comments on this measure from the Hawai'i Primary Care Association, Waikiki Health Center, Waianae Coast Comprehensive Health Center, West Hawaii Community Health Center, and one individual.

Your Committee finds that the Island of Hawaii's geography and sparsely distributed population may make access to health care a challenge. Your Committee recognizes that bringing access to medical care via a mobile medical van may help improve the overall health of rural underserved communities.

Your Committee further finds that the Legislature appropriated \$350,000 in 2009 for the purchase of a mobile medical van for medical services on the Island of Hawaii. Kona Community Hospital is in the process of acquiring the medical van. The Hospital has been working with Hawaii Medical Service Association, who has committed to help finance a two-year pilot medical van program.

Your Committee additionally finds that there is a need for a comprehensive transformation of Hawaii's Medicaid system. Your Committee also finds that one way to accomplish this is through a patient-centered health care home. This is a linked approach to providing health care that improves the patient experience, improves health outcomes, and reduces per capita costs.

Your Committee has heard the concerns about removing the Department of Human Services' authority to oversee an emerging technology. Your Committee has also heard the concerns regarding the use of federal funding for services provided by a contracted health plan. However, your Committee believes that any service not approved by the federal Centers for Medicare and Medicaid Services will not be eligible for federal funding. Your Committee also notes that S.B. No. 285, S.D. 2, which was previously heard by and reported from your Committee, incorporates amendments that more appropriately address those concerns.

Your Committee further finds that under the Affordable Care Act, Public Law 111-148, the federal Centers for Medicare and Medicaid Services were directed to formally establish a new Center for Medicare and Medicaid Innovation - the Innovation Center. After considering the testimony received, your Committee believes that the language in S.B. No. 1468, S.D. 1, which was previously heard by and reported from your Committee, appropriately addresses the need to create a Hawaii council to focus on innovation in local Medicaid issues as a complement to the national efforts of the Innovation Center.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and creating a new Part I by inserting the contents of S.B. No. 285, S.D. 2, which provides for telehealth services coverage for Medicaid and QUEST patients using Kona Community Hospital's medical van program;
- (2) Deleting the provision stating that the Department of Human Services is not required to cover patient self-referrals to providers;
- (3) Creating a new Part II by inserting the contents of S.B. No. 1468, S.D. 1, which establishes the Hawaii Patient Centered Health Home pilot program within the Medicaid program and establishes the Hawaii Medicaid Modernization and Innovation Council; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 326, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 326, 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 (Slom).

**SCRep. 902 Public Safety, Government Operations, and Military Affairs on H.B. No. 747**

The purpose and intent of this measure is to eliminate the requirement that retailers maintain at all times liquor liability insurance coverage, and to repeal the definition of "convenience minimarts."

Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committee finds that the definition of "convenience minimarts" is surplus and can be defined by common usage and meanings. Your Committee has confirmed that the deletion of language requiring retailers to maintain at all times liquor liability insurance coverage was an error that was not intended in this measure.

Your Committee has amended this measure by restoring the requirement that retailers maintain at all times liquor liability insurance coverage.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 747, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 747, 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, 1 (Slom).



**SCRep. 903 Public Safety, Government Operations, and Military Affairs on H.B. No. 915**

The purpose and intent of this measure is to require the Director of Taxation to provide to the administrator of each county's real property assessment division, without charge, an image of all certificates of conveyance that were filed, along with certain information.

Your Committee received testimony in support of this measure from the Department of Taxation, City and County of Honolulu Department of Budget and Fiscal Services, and County of Maui Department of Finance.

Your Committee finds that this measure would enable the counties to promptly track ownership, encumbrances, restrictions, uses, and sale prices of real property for the purpose of determining real property tax assessments. The current method, whereby the city 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.

Your Committee has amended this measure by replacing its contents with S.B. No. 655, S.D. 1, a substantively similar measure that:

- (1) Inserts an effective date of July 1, 2050, to allow for further discussion; and
- (2) Makes technical, nonsubstantive amendments to the original measure for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 915, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 915, 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 (Slom).

**SCRep. 904 Public Safety, Government Operations, and Military Affairs on H.B. No. 985**

The purpose and intent of this measure is to clarify that construction projects may be procured using the design-build process of combining design and construction into a single contract for design and construction of an infrastructure facility.

Your Committee received testimony in support of this measure from the Department of Transportation; Department of Accounting and General Services; State Procurement Office; American Council of Engineering Companies of Hawaii; General Contractors Association of Hawaii; Brown and Caldwell; Fukunaga & Associates, Inc.; Coalition of Hawaii Engineering and Architectural Professionals; Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc.; KAI Hawaii, Inc.; HDR; Pacific Geotechnical Engineers, Inc.; American Institutes of Architects; Nordic Construction PCL; Design-Build Institute of America Western Pacific Region; Design-Build Institute of America; Consulting Structural Hawaii, Inc.; Thermal Engineering Corporation; Kennedy/Jenks Consultants; Ralph S. Inouye Co. Ltd. General Contractor; and Engineering Concepts, Inc.

Your Committee finds that the current procurement process for design-build project contracts requires offerors to prepare, in most instances, conceptual design drawings as part of their proposals. This requires a considerable initial investment and may prevent many local firms from submitting proposals for design-build contracts. As a result, purchasing agencies may experience a decrease in competition, an increase in prices, and may potentially be forced to sacrifice design and construction creativity.

The intent of your Committee is to provide for the selection of the most qualified offerors for design-build projects and to encourage the participation of Hawaii-based companies, including local, small firms, in the design-build proposal process.

Your Committee has amended this measure by replacing its contents with those in S.B. No. 779, S.D. 2, a substantively similar measure, which amends H.B. No. 985, H.D. 2, by:

- (1) Limiting the short list of offerors to three responsible offerors;
- (2) Requiring the issuance of a second request for proposals to the pre-qualified, short-listed offerors;
- (3) Allowing payment of a conceptual design fee, rather than a stipend, to nonselected offerors;
- (4) Inserting a savings clause; and
- (5) 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 985, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 985, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Ryan). Noes, none. Excused, 1 (Slom).

**SCRep. 905 Public Safety, Government Operations, and Military Affairs on H.B. No. 1008**

The purpose and intent of this measure is to add the Federal Bureau of Investigation and United States Immigration and Customs Enforcement to, and delete Citizenship and Immigration Services from, the list of federal agencies whose officers may make arrests for certain offenses under state law. This measure also adds the proper titles of the heads of the district offices for those federal agencies.

Your Committee received testimony in support of this measure from the Department of the Attorney General. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Police Department and American Civil Liberties Union of Hawai'i.

Testimony on this measure indicates that the United States Immigration and Customs Enforcement is the largest investigative branch of the Department of Homeland Security, and its special agents and officers are law enforcement officers who are authorized to carry weapons and make arrests.

Your Committee finds that the United States Immigration and Customs Enforcement and Federal Bureau of Investigation will be able to provide much needed support to state and county law enforcement efforts.

Your Committee has amended this measure by replacing its contents with those in S.B. No. 1235, a substantively similar measure which amends H.B. No. 1008, H.D. 2, by:

- (1) Deleting the provision prohibiting evidence obtained as a result of arrest without a warrant from being admissible in judicial proceedings in a state court; and
- (2) Making the measure effective upon approval.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1008, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1008, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Ryan). Noes, none. Excused, 1 (Slom).

**SCRep. 906      Judiciary and Labor on H.B. No. 814**

The purpose and intent of this measure is to:

- (1) Limit the Hawaii Employer-Union Health Benefits Trust Fund to providing group life insurance benefits only to retired employees who retired before July 1, 2011;
- (2) Maintain the flat dollar contribution for the group life benefit of retired employees and repeal the annual adjustment; and
- (3) Repeal provisions pertaining to the negotiation of group life insurance contributions for active employees.

Your Committee received testimony in support of this measure from the Department of Budget and Finance. Your Committee received testimony in opposition to this measure from the Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; Hawaii State Teachers Association; University of Hawaii Professional Assembly; and two individuals. Your Committee received comments on this measure from the City and County of Honolulu Department of Budget and Fiscal Services.

Your Committee finds that this cost-saving measure is one of many alternatives being considered by the Legislature in response to the current revenue shortfall. Your Committee understands the concerns of those who have testified in opposition to this measure, but believes that all options should remain under consideration.

Your Committee has amended this measure accordingly by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 814, 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 (Ihara).

**SCRep. 907      Judiciary and Labor on H.B. No. 1070**

The purpose and intent of this measure is to amend the law to establish a specific time frame for an order of post-acquittal conditional release when a defendant is charged with a petty misdemeanor, misdemeanor, or violation in order to more efficiently utilize resources for more serious offenders.

Your Committee received testimony in support of this measure from the Office of the Public Defender and the Hawaii Disability Rights Center. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that this measure sets a reasonable time frame in which to monitor a defendant who has already been determined to not be dangerous and ensures that limited resources will not be expended indefinitely on these types of cases when the resources could be better used for more serious felony offenders.

Your Committee has amended this measure by:

- (1) Making the measure effective on July 1, 2011; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1070, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1070, 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 (Ihara).

**SCRep. 908      Judiciary and Labor on H.B. No. 1001**

The purpose and intent of this measure is to appropriate funds to satisfy claims against the State or its officers or employees for the overpayment of taxes, for refunds, reimbursements, payments of judgments or settlements, or for other liabilities.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

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 an additional claim for a settlement that was recently resolved relating to the Department of Transportation, Highways Division, to be appropriated from Department funds, as recommended by the Department of the Attorney General; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1001, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1001, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 909      Judiciary and Labor on H.B. No. 354**

The purpose and intent of this measure is to prohibit discovery and limit the award of costs and fees in controversies involving small claim tax appeals in order to bring added efficiency to the procedure of small claim tax appeals.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Department of Budget and Fiscal Services of the City and County of Honolulu. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that this measure will bring added efficiencies and cost savings to the small claim tax appeal process by reducing often excessive costs associated with filing these types of appeals and allowing more aggrieved citizens to exercise their right to judicial appeal without the fear of financial hardship.

Your Committee has amended this measure by inserting an effective date of July 1, 2060, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 354, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 354, 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 (Ihara).

**SCRep. 910      Judiciary and Labor on H.B. No. 519**

The purpose and intent of this measure is to amend the workers' compensation law by excluding from the definition of "employment" certain services performed by:

- (1) A member of a limited liability company who is an individual with a distributional interest of at least fifty percent in the company;
- (2) A partner of a partnership who is an individual;
- (3) A partner of a limited liability partnership who is an individual and has a transferable interest in the partnership of at least fifty percent; and
- (4) A sole proprietorship.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii; The Hawaii Business League; Integrated Economic Solutions, LLC; National Federation of Independent Business; Retail Merchants of Hawaii; and Hawaii Independent Insurance Agents Association.

Your Committee finds that this measure will allow limited liability companies, limited liability partnerships, partnerships, and sole proprietors the option to purchase workers' compensation insurance for individual members, partners, and sole proprietors rather than mandating coverage for these individuals under chapter 386, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 519, 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 (Ihara).

**SCRep. 911      Judiciary and Labor on H.B. No. 823**

The purpose and intent of this measure is to reallocate fees collected from certain administrative processing costs to the Judiciary Computer System Special Fund and the General Fund in order to more effectively utilize these resources.

Your Committee received comments on this measure from the Judiciary of the State of Hawaii.

Your Committee finds that this measure will allow revenues collected from judicial administrative fees, including revenues generated from record requests for moving violations, district court costs, and reproduction fees, to be split between the Judiciary Computer System Special Fund and the General Fund to allow for a more efficient distribution of these revenues.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 823, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 823, 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 (Ihara).

**SCRep. 912      Judiciary and Labor on H.B. No. 1085**

The purpose and intent of this measure is to:

- (1) Make state laws regarding controlled substances consistent with additions made by federal law in 2010, as required by section 329-11(d) and (e), Hawaii Revised Statutes;
- (2) Add certain substances to the list of controlled substances pursuant to an emergency scheduling by the Department of Public Safety;
- (3) Add substances to match the emergency scheduling in the federal controlled substances laws instituted by the United States Drug Enforcement Administration;
- (4) Authorize the Department of Public Safety to add substances of concern to the list of controlled substances that must be electronically reported to Hawaii's electronic prescription monitoring program;
- (5) Clarify the procedure for the issuance of the Medical Use of Marijuana permit; and
- (6) Increase the fee for a Medical Use of Marijuana permit from \$25 to \$35 to offset the cost of running the program.

Your Committee received testimony in support of this measure from the Department of Public Safety and Department of the Prosecuting Attorney of the City and County of Honolulu. Your Committee received testimony in opposition to this measure from the Drug Policy Forum of Hawaii; Drug Policy Action Group; Friends 4 Justice; Natural Cancer Wellness Foundation; The Mum Clinic; and fifteen individuals.

Your Committee finds that Hawaii law mandates that its controlled substance laws be consistent with amendments made in the federal Controlled Substances Act, codified at Title 21 United States Code Section 801 et. seq. As noted above, in 2010, certain substances were added to the federal controlled substances schedules. Additionally, other emergency scheduling additions were made by the Department of Public Safety to avoid an imminent hazard or the possibility of an imminent hazard to the health and safety of the public.

Your Committee observes that the majority of the testimony in opposition to this measure was related to two issues: the \$10 increase to the Medical Use of Marijuana permit fee, and the requirement that the authorizing physician for the Medical Use of Marijuana permit sign the permit certificate. Regarding the first concern, your Committee understands that the permit fee increase is necessary to fund a Department of Public Safety position to administer the program. Currently, there is no designated employee who handles the administration of the medical marijuana program, and the Department has been using staff from other areas to manage the program. The increased fee will allow the Department to administer the program more effectively, without negatively impacting other Department responsibilities. Regarding the second concern, your Committee understands from the Department that this amendment clarifies the current permit procedure and does not represent a substantive change to the process.

Your Committee has amended this measure by:

- (1) Deleting language modifying the substance salvia divinorum because that modifying language is not included in the federal schedule;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1085, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1085, 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, none.

**SCRep. 913 Human Services on H.B. No. 1407**

The purpose and intent of this measure is to authorize access to confidential adoption records by parties to the proceedings under certain circumstances.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in opposition to this measure from eighteen individuals. Your Committee received comments on this measure from the Judiciary, Adoption Circle of Hawaii, Korean Adoptees of Hawai'i, and forty individuals.

Your Committee finds that Act 338, Session Laws of Hawaii 1990, allowed access to adoption records for adoptees whose adoptions were finalized in 1991 or thereafter. However, adoptees whose adoptions were finalized before 1991 must undertake an intermediary search to request access to their adoption records.

Your Committee further finds that adoption practices continue to evolve. Openness in adoption that permits sharing of ethnicity, race, and medical and genetic information, as well as some identifying information about the parties to the adoption, is now the preferred best practice. Most child placement agencies and adoption attorneys have integrated open adoption policies into their practices.

Your Committee additionally finds that adult adoptees often desire direct access to identifying information about themselves and their biological parents and families. This information can be essential to an adopted adult's identity and medical needs.

Your Committee has heard the concerns that the current measure does not provide for open adoption records, but rather extends the current intermediary system by creating another adoption class. Your Committee notes that it is important for all adopted persons in Hawaii to obtain access to their adoption records.

Accordingly, your Committee has amended this measure by:

- (1) Repealing language that differentiates between classes of adoptions occurring before and after 1990;
- (2) Deleting language that establishes a policy of disclosure for adoptions after December 31, 2011, under certain circumstances;
- (3) Allowing a natural parent to file a contact preference in the sealed adoption record and defining that term;
- (4) Allowing access to sealed adoption records after an adopted individual attains age eighteen, upon submission of a written request to the Family Court;
- (5) Requiring the Family Court to provide the adopted individual with a copy of the contact preference;
- (6) Limiting the definition of natural parent to a biological mother or father; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1407, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1407, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 914 Energy and Environment on H.B. No. 786**

The purpose and intent of this measure is to provide the Department of Health with revenues for the administration and operation of its Solid Waste Regulatory Program by increasing the solid waste management surcharge from 35 cents to 70 cents per ton of solid waste.

Your Committee received testimony in support of this measure from Loretta J. Fuddy, Department of Health; Gene Parola, Unitarian Church Social Justice Council; Michael Gach; Anthony Aalto; and Damian Sempio. Your Committee received testimony in opposition to this measure from General Contractors Association of Hawaii; and Gary Slovin, PVT Land Company.

Your Committee finds that the disposition of solid waste is regulated by the Department of Health through its Solid Waste Regulatory Program. To cover the costs of this Program, a surcharge was initiated in 1993 at a rate of 25 cents per ton, which was increased to 35 cents per ton in 1997, the last time it was increased. This surcharge is the main source of funding for the Solid Waste Regulatory Program. At present, annual revenue from the surcharge is approximately \$525,000 while program expenses are approximately \$940,000 annually. To fully fund the Program, an increase of the surcharge to approximately 70 cents per ton is necessary. Your Committee further finds that the Program should be fully funded through this surcharge in order to eliminate the General Fund appropriation for this Program.

Your Committee further finds that there is an ever-growing amount of solid waste that is being recycled or used for energy production and that a recent meeting of various stakeholders began discussions of the possibility of a tiered rate structure. The Department of Health is working out the potential amounts for such a structure and is planning to report and discuss its findings with the stakeholders and members of your Committee prior to conference.

Your Committee has amended this measure by:

- (1) Increasing the amount of the solid waste management surcharge from 70 cents to 75 cents per ton of solid waste; 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 786, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 786, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 915 Hawaiian Affairs on H.B. No. 922**

The purpose and intent of this measure is to allow 999-year homestead leases to be assigned to land trusts that are created for the purposes of managing and holding the homestead leasehold estate for the benefit of the lessee and lessee's family members.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and two individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the structure of the 999-year leases continues to pose challenges for lessees and causes significant conflict in families. Act 166, Session Laws of Hawaii 2000, was intended to make the leases more freely available to lessees' family members, but uncertainty regarding the Act's effect on existing legal rights has made it difficult to identify the rightful leaseholder and hampers the orderly transfer of leases. Your Committee is in support of this measure as a means of addressing this continuing problem for lessees and their families.

Your Committee has amended this measure by incorporating provisions from S.B. No. 1521, S.D. 2, and S.B. No. 2, S.D. 2. As amended, this measure:

- (1) In part I, retains the provisions relating to 999-year homestead leases;
- (2) In part II, authorizes exemptions from state and county permits, including all permits required under chapter 205A, Hawaii Revised Statutes, for the Hawaii Marine Laboratory Refuge for repair and maintenance of its facilities located on the island of Moku-o-loe (Coconut Island), Island of Oahu;
- (3) In part III:
  - (A) Requires the Department of Land and Natural Resources to initiate and coordinate all efforts to establish a public lands information system, beginning July 1, 2011;
  - (B) Requires all state agencies to report to the Department each parcel of land to which the agency holds title and the disposition of each parcel to which the agency holds title or is acquiring title by August 1, 2011, and any inaccuracies in reports to the Department by January 1, 2012;
  - (C) Requires the Department to submit a progress report to the Legislature prior to the Regular Sessions of 2012 and 2013; and
  - (D) Appropriates funds to create and maintain a comprehensive statewide public land trust inventory database and to provide funding for one staff position; provided that the funds shall be matched dollar-for-dollar by the Office of Hawaiian Affairs; and
- (4) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 922, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 916 (Joint) Hawaiian Affairs and Water, Land, and Housing on H.B. No. 377**

The purpose and intent of this measure is to provide state lease preferences for the reconstruction, restoration, repair, or use of Hawaiian fishponds.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, Maunaloa Fishpond Heritage Center, Aha Kiolo Advisory Committee, Hawaii Nearshore Fishermen, Sierra Club Hawai'i Chapter, and four individuals.

Your Committees find that fishponds are important natural and cultural resources, serving as a source of sustenance and offering a wide range of educational opportunities. In addition, fishpond restoration has become a major part of the Hawaiian cultural revival movement, with a number of groups throughout Hawai'i taking on the kuleana of bringing once-forgotten fishponds back to life. Currently, the permitting and approval processes for fishpond restoration are cumbersome and hinder the efforts to revive these cultural treasures. Your Committees are in agreement that providing lease preferences to fishpond restoration would help streamline the process.

In addition, your Committee on Water, Land, and Housing previously heard and amended two public land-related measures, S.B. No. 1521, and S.B. No. 2. Your Committees have amended this measure by incorporating provisions from S.B. No. 1521, S.D. 2, and S.B. No. 2, S.D. 2. As amended, this measure:

- (1) In part I, retains the provisions relating to lease preferences for Hawaiian fishponds;

- (2) In part II, authorizes exemptions from state and county permits, including all permits required under chapter 205A, Hawaii Revised Statutes, for the Hawaii Marine Laboratory Refuge for repair and maintenance of its facilities located on the island of Moku-o-loe (Coconut Island), Island of Oahu;
- (3) In part III:
- (A) Requires the Department of Land and Natural Resources to initiate and coordinate all efforts to establish a public lands information system, beginning July 1, 2011;
  - (B) Requires all state agencies to report to the Department each parcel of land to which the agency holds title and the disposition of each parcel to which the agency holds title or is acquiring title by August 1, 2011, and any inaccuracies in reports to the Department by January 1, 2012;
  - (C) Requires the Department to submit a progress report to the Legislature prior to the Regular Sessions of 2012 and 2013; and
  - (D) Appropriates funds to create and maintain a comprehensive statewide public land trust inventory database and to provide funding for one staff position; provided that the funds shall be matched dollar-for-dollar by the Office of Hawaiian Affairs; and
- (4) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 377, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 377, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 2 (Fukunaga, Solomon).

**SCRep. 917 (Joint) Energy and Environment and Agriculture on H.B. No. 1019**

The purpose and intent of this measure is to redistribute a portion of the revenues from the State Environmental Response, Energy, and Food Security Tax, also known as the barrel tax, that is currently going to the General Fund to the Energy Security Special Fund and the Agricultural Development and Food Security Special Fund in order to align the use of that tax revenue with the original intended use of that revenue for energy self-sufficiency and sustainable agriculture, thereby increasing Hawaii's energy and food security.

Your Committees received testimony in support of this measure from Richard Lim, Department of Business, Economic Development, and Tourism; Russell Kokubun, Department of Agriculture; Jeffrey Ono, Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Virginia S. Hinshaw, University of Hawai'i System; George Costa, Office of Economic Development, County of Kaua'i; Randall Kurohara, Department of Research and Development, County of Hawaii; The Nature Conservancy; Blue Planet Foundation; Pono Shim, Enterprise Honolulu; Jeffrey Overton, Group 70 International; Jeanne Skog, Economic Development Alliance of Hawai'i; Mark Duda, Hawaii Solar Energy Association; Warren Bollmeier, Hawaii Renewable Energy Alliance; Robert Harris, Sierra Club, Hawai'i Chapter; Shannon Wood, Windward Ahupua'a Alliance; Guy Kaniho, BioEnergy Hawaii, LLC; Richard McQuain, Hu Honua Bioenergy, LLC; Tim Mobley, Honua Power, LLC; Andrea Nandoskar, Green Earth Media; Joseph Saturnia, Island Pacific Energy LLC; William Maloney, Pacific West Energy LLC; Henry Jiao, Aloha E-Bikes; David Atkin, Parsons Brinckerhoff Inc.; Kekoa Kaluhiwa, First Wind; Shawn James Leavey, Moku Power, LLC; Jenna Long, Pacific Biodiesel, Inc.; Eric Knutzen, Green Energy Team LLC; Bill Brooks, Energy Specialists Hawai'i, Inc.; Kenton Eldridge, Aina Koa Pono; Michael Markrich, Rebuild Hawaii Consortium; Janice Palma-Glennie; Carolyn Knoll; Michael Hamnett; Betsy Cole; Eileen Ellis; Ben Discoe; Brian Bell; Dana Anderson; David A. Parish; Gerald A. Sumida; Duane and Sarah Preble; Jack Bennett; James Haley; Jane Yamashiro; Kate Miller; Kathy Shimata; Russell Castagnaro; Vince Kana'i Dodge; Nancy Davlantes; Michael Reed Gach; Anthony Aalto; Teri Skillman; Cynthia Lowry; Bob Yamamura; Phyllis Robinson; Kim Mullen; Joy Leilei Shih; Jill Sims; Damian Sempio; and Juanita Kawamoto Brown. Your Committees received testimony in opposition to this measure from Jeff Walsh, AES Hawaii, Inc.; and Gregory Swartz. Your Committees received comments on this measure from William Aila, Jr., Department of Land and Natural Resources; Tax Foundation of Hawaii; Hawaii Farm Bureau Federation; Paul Oshiro, Alexander & Baldwin, Inc.; and Eric Ching.

Your Committees find that the original intent of using the barrel tax revenues for energy self-sufficiency and sustainable agriculture should be effectuated and that doing so will increase Hawaii's energy and food security. Your Committees also believe that climate change is a factor that will eventually affect the State's energy and food security.

Accordingly, your Committees have amended this measure by:

- (1) Decreasing the portion of barrel tax revenues to be deposited into the Energy Security Special Fund from 45 cents to 44.75 cents per barrel;
- (2) Decreasing the portion of barrel tax revenues to be deposited into the Agricultural Development and Food Security Special Fund from 45 cents to 44.75 cents per barrel;
- (3) Requiring that 0.5 cent of barrel tax revenue per barrel be deposited into a special account of the General Fund to be expended by the Office of Planning for the operations of the Climate Change Task Force established by Act 20, Special Session Laws of Hawaii 2009;
- (4) Adding language to extend the sunset date of the Climate Change Task Force to June 30, 2013;

- (5) Requiring the Climate Change Task Force to submit a preliminary report to the Legislature prior to the 2012 Regular Session and a final report prior to the 2013 Regular Session;
- (6) Changing the effective date to June 29, 2011;
- (7) Adding a provision to preserve the amendments made to section 243-3.5(a), Hawaii Revised Statutes, by this measure from repeal and reenactment of that section on June 30, 2015, pursuant to section 14 of Act 73, Session Laws of Hawaii 2010; and
- (8) 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 Energy and Environment and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1019, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1019, 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; Ayes with Reservations (Dela Cruz, Wakai). Noes, none. Excused, 5 (Chun Oakland, Green, Shimabukuro, Tokuda, Slom).

**SCRep. 918 (Joint) Hawaiian Affairs and Water, Land, and Housing and Judiciary and Labor on H.B. No. 397**

The purpose and intent of this measure is to require:

- (1) Specificity in all concurrent resolutions for the review of proposed exchanges, sales, or gifts of state land, including whether the land was classed as government or crown lands prior to August 15, 1895; and
- (2) A draft copy of the concurrent resolution be submitted to the Office of Hawaiian Affairs at least three months prior to the appropriate legislative session.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii Housing Finance and Development Corporation, Native Hawaiian Legal Corporation, Association of Hawaiian Civic Clubs, Aha Kiole Advisory Committee, 'Ilio'ulaokalani Coalition, and three individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that Act 176, Session Laws of Hawaii 2009, established a more comprehensive process for the sale or gift of state-owned land, and a larger oversight role for the Legislature to assure that key information about certain sales, gifts, or exchanges of land is shared with the Legislature and the Office of Hawaiian Affairs. During the 2010 Regular Session, when substantial numbers of "Act 176 resolutions" moved through both houses of the Legislature, two issues regarding the process emerged. Your Committees find that, first, the resolutions were not always informative as to whether the land was formerly crown or government land of the Kingdom of Hawai'i. Second, the Office of Hawaiian Affairs was hindered in full consideration of the resolutions because of the limited time between the receipt of the resolutions by the Office of Hawaiian Affairs and the Legislature's consideration of the resolutions.

Your Committees find that this measure will address both of those concerns and ensure that the Legislature and the Office of Hawaiian Affairs exercise their respective roles in a more timely and comprehensive manner.

Your Committees have amended this measure by changing the effective date from January 7, 2059, to upon approval.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, and Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 397, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 397, 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, 4 (Fukunaga, Ihara, Solomon, Slom).

**SCRep. 919 (Joint) Economic Development and Technology and Commerce and Consumer Protection and Judiciary and Labor on H.B. No. 678**

The purpose and intent of this measure is to:

- (1) Require any government agency responsible for a security breach to pay for the costs of providing each person whose personal information was disclosed with, at a minimum, a three-year subscription to a nationwide consumer reporting agency's services;
- (2) Amend the definition of "security breach" to include any incident of inadvertent, unauthorized disclosure of unencrypted or unredacted records or data containing personal information; and
- (3) Include a recipient of a security breach notification to those residents entitled to free security freeze services from a consumer credit reporting agency.

Your Committees received testimony in support of this measure from the Imua Alliance. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Department of Human Resources; American Council of Life Insurers; Consumer Data Industry Association; State Privacy and Security Coalition, Inc.; Retail Merchants of Hawaii; Hawaii Medical Service Association; and one individual. Your Committees received comments on this measure from the Department of Accounting and General Services, Department of the Attorney General, and Department of Commerce and Consumer Affairs Office of Consumer Protection.



Your Committees previously heard two measures, S.B. No. 796 and S.B. No. 1162, which contained comparable and additional information security provisions. Your Committees have amended this measure by deleting its contents and replacing them with the language in S.B. No. 796, S.D. 2, and S.B. No. 1162, S.D. 2. As amended, this measure:

- (1) Contains a findings and purpose section;
- (2) Requires any government agency that maintains personal information systems to include mandatory training programs for any agency personnel to whom disclosures of personal information are made or to whom access to the personal information may be granted;
- (3) Requires a business that maintains personal information about residents of Hawaii to implement a comprehensive written information security program;
- (4) Adds a definition of “credit reporting agency” and amends the definition of “security breach” to include any incident of inadvertent, unauthorized disclosure of unencrypted or unredacted records or data containing personal information;
- (5) Requires a notice of security breach to include toll-free contact telephone numbers and addresses for the major credit reporting agencies;
- (6) Requires a government agency to submit a written report to the Information Privacy and Security Council, in addition to the Legislature, within twenty days after discovery of a security breach at the government agency;
- (7) Requires the Information Privacy and Security Council to be responsible for coordinating the implementation of security breach guidelines by government agencies;
- (8) Includes a victim of a security breach among those residents entitled to free security freeze services from a consumer credit reporting agency;
- (9) Appropriates unspecified funds in support of the Information Privacy and Security Council for positions, security tools, maintenance, and licenses, including software and enhanced web applications;
- (10) Amends the effective date from July 1, 2030, to July 1, 2050, to allow for further discussion; and
- (11) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that government agencies and businesses have raised concerns regarding the expanded definition of “security breach” and the private sector continues to have concerns regarding the notice requirement. Your Committees understand that efforts are underway to determine how best to address those concerns and urge the parties to continue to work with the Legislature regarding further amendments to this measure.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 678, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 678, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10; Ayes with Reservations (Sлом). Noes, none. Excused, 3 (Galuteria, Green, Solomon).

**SCRep. 920 (Majority) Education on H.B. No. 1322**

The purpose and intent of this measure is to:

- (1) Convert certain revolving funds of the University of Hawai‘i into special funds by repealing the revolving funds and establishing new special funds;
- (2) Repeal certain funds of the University of Hawai‘i; and
- (3) Transfer the remaining balances of certain repealed funds either to specific alternative funds or require the balances to lapse to the General Fund.

Your Committee received comments on this measure from the University of Hawai‘i System.

Your Committee finds that this measure will provide the University of Hawai‘i System with greater flexibility and increased efficiency in the use and management of certain funds. Your Committee further finds that the repeal and reclassification of the funds identified in this measure are in accordance with the findings and recommendations of a December 2009 report of the Auditor of the State of Hawaii.

Your Committee recognizes the concerns of the University of Hawai‘i System that this measure as currently drafted may be interpreted by some to mean that all repealed funds, including those which are re-established as special funds, shall lapse to the General Fund as of June 30, 2011.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 814, S.D. 2 and further amending the measure by:

- (1) Repealing section 304A-2264, Hawaii Revised Statutes, which establishes the University of Hawaii Conference Center Revolving Fund; and
- (2) Clarifying that all balances unencumbered and unexpended as of June 30, 2011, in the University of Hawaii Conference Center Revolving Fund shall be transferred to the University of Hawaii Commercial Enterprises Revolving Fund established

under section 304A-2251, Hawaii Revised Statutes, rather than to the University of Hawaii Auxiliary Enterprises Special Fund.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1322, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1322, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Taniguchi).

**SCRep. 921 (Majority) Commerce and Consumer Protection on H.B. No. 1243**

The purpose and intent of this measure is to establish price caps within the Hawaii workers' compensation insurance system for prescription drugs including repackaged drugs and compound medications.

Your Committee received testimony in support of this measure from the Department of Human Resources Development; Hawaii Insurers Council; and Property Casualty Insurers of America. Your Committee received testimony in opposition to this measure from Hawaii Medical Association; Hawaii Injured Workers Alliance; Automated HealthCare Solutions; Industrial Pharmacy Management; Quality Care Products, LLC; Aloha Pain Clinic; Work Star Injury Recovery Center; Waves of Health; and six private individuals.

Your Committee finds that prescription drugs are one of the major drivers of escalating health care costs in the nation. Your Committee further finds that the repackaging and compounding of medications may be used to artificially inflate the retail price of drugs by merely modifying packaging materials or delivery systems. Your Committee also finds that this measure will serve as an effective cost-containment strategy for the workers' compensation system without impacting an injured worker's ability to access quality care and needed medications.

Your Committee has amended this measure by:

- (1) Specifying that physicians who dispense prescription medications directly to their patients shall receive a dispensing fee of \$4 per prescription dispensed on an island with a population greater than or equal to 500,000 or of \$7 per prescription dispensed on an island with a population less than 500,000;
- (2) Including a ten percent repackaging fee in the calculation of the retail price of repackaged or relabeled prescription drugs;
- (3) Requiring reimbursement for medical services within sixty days of receipt by an employer, insurer, or the special compensation fund of a bill for services that is complete, includes all required documentation, and includes certification by the provider that all listed charges are allowable pursuant to chapter 386 and the rules of the director;
- (4) Inserting an effective date of July 1, 2112, to allow for further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure is not intended to prevent or discourage the dispensing of prescription drugs directly to patients by treating physicians. In fact, your Committee finds that the dispensing fee authorized by this measure as amended will encourage that practice and will allow it to be conducted in an ethical and transparent manner that benefits the patient, the physician, and the workers' compensation system. Your Committee further notes that the language contained in this measure is the result of collaboration among stakeholders who have worked diligently together to reach common ground. Although universal agreement on this measure has not yet been reached, your Committee finds that because of the importance of this issue to the State, its workers, and its health care industry, this measure merits continued consideration and advancement through the legislative process.

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. 1243, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1243, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Nishihara). Noes, 3 (Green, Solomon, Slom). Excused, none.

**SCRep. 922 Commerce and Consumer Protection on H.B. No. 924**

The purpose and intent of this measure is to clarify the law relating to the interpretation of commercial general liability insurance policies affecting construction professionals.

Your Committee received testimony in support of this measure from the Hawaii Laborers' Union, Wailea MF-9 Associates LLC, and Hawaii Carpenters Union. Your Committee received testimony in support of the intent of this measure from the Building Industry Association of Hawaii; Insurance Factors; Pacific Rim Partners, LLC; Ralph S. Inouye Co., Ltd.; King & Neel, Inc.; Robert M. Kaya Builders, Inc.; R. Clary Builders, Inc.; Heartwood Pacific LLC; Hawaiian Dredging Construction Company; Grace Pacific Corporation; Nordic PCL Construction, Inc.; Designer Built Systems, Inc.; Simmons Steel Corporation; PVT Land Company Limited; Royal Contracting Co., Ltd.; Victory Development, Inc.; KPRS Hawaii Construction, Inc.; Albert C. Kobayashi, Inc.; Williams Hawaii, Inc.; Complete Construction Services Corp.; Koga Engineering & Construction, Inc.; Curtis Law Construction; Foundations Hawaii, Inc.; General Contractors Association of Hawaii; Ledcor Construction Hawaii LLC; Jas W. Glover, Ltd.; Dale Moore, General Contractor; Delta Construction Corporation; S & M Sakamoto, Inc.; Alan Shintani Inc.; HSI Mechanical, Inc.; The Pacific Resource Partnership; Servco Home and Commercial Products; and Plumbers and Fitters Union, Local 675. Your Committee received testimony in opposition to this measure from the American Insurance Association; First Insurance Company of Hawaii, Ltd.; Island Insurance Companies; Hawaii Insurers Council; Hawaii Independent Insurance Agents Association; and State Farm Insurance Companies. Your Committee received comments on this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs.

Your Committee finds that the construction industry is a vital part of the State's economy and is a major economic driver in the public and private sectors. Your Committee further finds that the 2010 decision of the Intermediate Court of Appeals in *Group Builders, Inc. and Tradewinds Insurance Company, Ltd. v. Admiral Insurance Company* (231 P.3d 67), which held that commercial general liability policies do not cover bodily injury or property damage arising from construction defects, creates uncertainty in the construction industry, and invalidates insurance coverage that was paid for and understood to exist by construction professionals. Your Committee notes that prior to the *Group Builders* decision, insurers routinely paid legitimate claims brought against construction professionals for damages resulting from construction defects, under the terms of commercial liability insurance policies issued and currently in force in this State.

Your Committee also finds that the *Group Builders* decision resulted in an interpretation of commercial liability insurance policies that is contrary to the reasonable understanding and good faith expectations of construction professionals that paid significant amounts in insurance premiums and now find themselves without protection from suits for alleged damages resulting from construction defects. Your Committee notes that the uncertainty resulting from the *Group Builders* decision has severely impacted the construction industry in Hawaii at a time of general economic malaise. Given the critical role of the construction industry in Hawaii's economy, your Committee finds that legislative intervention in this matter is warranted as a matter of public policy to stimulate the economy, create jobs, ensure the availability of redress for injury, and insure a healthy construction industry to mitigate further economic deterioration.

Your Committee has amended this measure by deleting its contents and replacing them with new language that:

- (1) Adds a new purpose section to accurately reflect the policy of the Legislature with respect to this measure and the contents of this measure as amended;
- (2) Specifies that the term "occurrence" as used in a liability insurance policy that covers occurrences of damage or injury during the policy period and insures a construction professional for liability arising during construction-related work shall be construed according to the law as it existed at the time the insurance contract was issued;
- (3) Specifies that the provisions described above in paragraph (2) shall apply to all liability insurance policies in effect as of its effective date and to surplus lines of insurance;
- (4) Clarifies the meaning of "construction professional" and "liability insurance policy"; and
- (5) Changes the effective date to upon approval.

Your Committee notes that the language of this measure as amended is the result of collaboration among the proponents of this measure and reflects the agreement of stakeholders on this issue.

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. 924, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 924, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Solomon).

#### **SCRep. 923 Commerce and Consumer Protection on H.B. No. 1049**

The purpose and intent of this measure is to update the Insurance Code and related provisions.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs, Insurance Division of the Department of Commerce and Consumer Affairs, American Council of Life Insurers, and Hawaii Medical Service Association.

Your Committee finds that this measure will allow the Insurance Division to streamline its operations, improve administrative efficiency, retain accreditation by the National Association of Insurance Commissioners, and reduce the cost of insurance regulation. Your Committee further finds that the electronic filing provisions of this measure are not only good practice which allows the Insurance Division to take advantage of technology to improve efficiency but are also required to conform with federal law.

Your Committee has amended this measure by:

- (1) Clarifying that an approval required by law shall be deemed effective as of the sixtieth day following the filing of the request for approval if the Insurance Commissioner does not take affirmative action on the application before that time;
- (2) Specifying that the amendments made by this measure to the schedule of fees that may be charged by the Insurance Commissioner shall not be repealed when that section is repealed and reenacted to effectuate the sunset date applicable to other provisions within the schedule;
- (3) Inserting an effective date of July 1, 2011; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1049, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1049, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 924 Economic Development and Technology on H.B. No. 306**

The purpose and intent of this measure is to:

- (1) Amend the method of computing the estate and transfer tax;
- (2) Repeal the income tax credit for resident taxpayers for income taxes paid to other jurisdictions; and
- (3) Impose an excise tax on direct broadcast satellite service providers.

Your Committee received testimony in support of this measure from Oceanic Time Warner Cable and Hawai'i Association of REALTORS. Your Committee received testimony in opposition to this measure from DIRECTV, Inc.; DISH Network L.L.C.; Satellite Broadcasting & Communications Association; Microcom; Mini Satellite Dish Company; Big Island Satellite; Hawaii Sound Systems; Molokai Sight & Sound; D&M Satellite Solutions; Pacific Rim Entertainment; Victory Satellite; DISH TV USA INC.; The Satellite Guy, Inc.; The Shack at Hawaii Kai; and four individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that this measure encompasses three distinct tax provisions: part I clarifies the estate tax law, part II repeals the income tax credit for taxpayers who pay income taxes to other jurisdictions, and part III imposes a new excise tax on gross income received from providing broadcast satellite services.

Your Committee notes that the primary opposition to this measure was to part III, with much of the testimony focused on the economic hardship for Hawaii residents as a result of the proposed tax. Your Committee has also heard concerns raised by the Department of Taxation that part II may be unconstitutional if the repeal of this tax credit is characterized as double taxation, and that a request for a determination has been made to the Attorney General, but not received to date.

With regards to part I, the Department of Taxation testified that as it clarifies the existing estate tax and makes no substantive changes, the Department estimates no revenue impact. Your Committee has also favorably considered additional clarifying amendments to the generation-skipping transfer tax and the estate tax for noncitizens, as requested by the Department.

Your Committee has amended this measure accordingly, by:

- (1) Amending the definition of "generation-skipping transfer" and "taxable estate", further amending the definition of "Internal Revenue Code", and repealing, rather than amending, the definition of "federal credit";
- (2) Changing the calculation of the tax imposed on every generation-skipping transfer from the federal credit to a percentage based on an aggregate exclusion per decedent;
- (3) Changing the calculation of the tax imposed on noncitizen transfers of a taxable estate located in Hawaii from the federal credit to a table based on the value of the estate;
- (4) Deleting part II, which would have repealed the income tax credit for resident taxpayers for income taxes paid to other jurisdictions;
- (5) Deleting part III, which would have imposed an excise tax on direct broadcast satellite service providers; and
- (6) 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 H.B. No. 306, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 306, 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 (Solomon, Slom).

**SCRep. 925 (Joint) Public Safety, Government Operations, and Military Affairs and Economic Development and Technology on H.B. No. 1007**

The purpose and intent of this measure is to:

- (1) Clarify that a person commits the offense of promoting pornography for minors if, knowing its character and content, the person disseminates material that is pornographic for minors to a minor known by the person to be under the age of sixteen years; or a person who represents that person's self to be under the age of sixteen years; and
- (2) Allow criminal charging by written information for promoting child abuse in the third degree.

Your Committees received testimony in support of this measure from The Sex Abuse Treatment Center. Your Committees received testimony in opposition to this measure from the Media Coalition Inc. and American Civil Liberties Union of Hawai'i.

Your Committees' intent is to provide greater protection to children from sexual offenders and predators in the internet age. Current law prohibits disseminating pornographic material to minors. This measure extends this prohibition to include disseminating pornographic material to a person who represents himself or herself as a minor, allowing state and county law enforcement officers to be able to pose as children online and make out criminal cases when predators promote pornography to minors while attempting to exploit them through the Internet.

Your Committees have amended this measure by:

- (1) Creating a felony offense of disseminating material that is pornographic for minors to other minors over the Internet or by electronic communication;

- (2) For purposes of determining whether a person commits the offense of promoting pornography for minors, changing the age of a minor from sixteen to eighteen years;
- (3) Clarifying the definition of “pornographic for minors”; and
- (4) Changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs 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. 1007, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1007, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Ryan, Solomon, Slom).

**SCRep. 926 (Joint) Public Safety, Government Operations, and Military Affairs and Commerce and Consumer Protection on H.B. No. 1221**

The purpose and intent of this measure is to clarify that the consumption of liquor by a minor shall not be deemed to be a violation of section 281-78(b)(1), Hawaii Revised Statutes, if a licensee who serves alcohol in a large public facility receives the appropriate county liquor commission’s approval of the licensee’s security plans for preventing minors from consuming alcohol on the licensed premises, and the licensee implements that plan in good faith.

Your Committees received testimony in support of this measure from Better Brands, Paradise Beverages, Inc., Centerplate, Anheuser-Busch Sales of Hawaii, and one individual. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Liquor Commission.

Your Committees believe that the liquor industry has made good efforts to prevent underage drinking; however, there will be those irresponsible consumers who choose to do otherwise. This type of behavior is not in the control of the industry, and your Committees find that the industry should not be penalized for the irresponsible behavior of these consumers.

Your Committees have amended this measure by:

- (1) Inserting a capacity of at least 50,000 people in the definition of “large public facility”; and
- (2) 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 Public Safety, Government Operations, 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. 1221, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1221, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 7; Ayes with Reservations (Kidani). Noes, none. Excused, 3 (Nishihara, Ryan, Solomon).

**SCRep. 927 Public Safety, Government Operations, and Military Affairs on H.B. No. 605**

The purpose and intent of this measure is to establish a Reduced Ignition Propensity Cigarette Program Special Fund, into which shall be deposited all monies collected by the State Fire Council from the Reduced Ignition Propensity Cigarette Program.

Your Committee received testimony in support of this measure from the State Fire Council, County of Maui Department of Fire and Public Safety, and Kaua’i Fire Department. Your Committee received comments on this measure from the Department of Budget and Finance.

Under this measure, monies in the Reduced Ignition Propensity Cigarette Program Special Fund would be administered and expended by the State Fire Council to defray the actual cost of activities and requirements of certification of reduced ignition propensity cigarettes.

Your Committee finds that the establishment of the Reduced Ignition Propensity Cigarette Program Special Fund is necessary for the State Fire Council to meet staffing needs for the administration of the Reduced Ignition Propensity Cigarette Program. Your Committee further finds that since the Program’s implementation in 2009, approximately \$390,000 in regulatory fees have been collected – monies that should be used to hire an Administrator and Assistant for the Program to perform the duties specified in this measure.

Your Committee has amended this measure by replacing its contents with those in S.B. No. 258, S.D. 1, which is substantively similar but does not include appropriations by the Legislature as a source of monies for deposit into the Reduced Ignition Propensity Cigarette Program Special Fund. Your Committee has amended this measure further by:

- (1) Updating the figure representing the current amount of fees collected by the Reduced Ignition Propensity Cigarette Program to date, which is \$390,000;
- (2) Clarifying that the \$375 fee on manufacturers is to be paid into the Reduced Ignition Propensity Cigarette Program Special Fund;
- (3) Changing the effective date to July 1, 2050, to allow for 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 605, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 605, 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 (Slom).

**SCRep. 928 (Joint) Transportation and International Affairs and Economic Development and Technology on H.B. No. 123**

The purpose and intent of this measure is to provide a general excise tax exemption for the sale of aviation fuel for air transportation.

Your Committees received comments on this measure from the Department of Taxation, Hawaiian Airlines, Tax Foundation of Hawaii, and one individual. Your Committees received testimony in opposition to this measure from one individual.

This measure applies to aviation fuel that is categorized as privileged foreign merchandise, nonprivileged foreign merchandise, domestic merchandise, or zone-restricted merchandise that is admitted into a foreign-trade zone and purchased by a common carrier for consumption or use in air transportation between two points in the State.

Airline fuel that is purchased in a foreign-trade zone and used by airlines traveling out of the State of Hawaii is exempt from general excise and use taxes; however, airlines on intrastate flights are not exempt. To the extent that these general excise and use taxes apply to intrastate flights, they only exacerbate the economic problems that are faced by airlines operating within Hawaii.

Your Committees find that that a healthy inter-island airline industry is vital to the State's economy. Hawaii's inter-island airlines continue to face severe financial challenges. Fuel costs in particular have skyrocketed and grown volatile in recent years. In fact, for most airlines, the cost of fuel has surpassed labor as the leading operating cost.

Your Committees further find that the effect of providing common carriers with an exemption from general excise and use taxes for fuel purchased from a foreign-trade zone and used for inter-island flights would be to create a level playing field for all airlines.

Your Committees have amended this measure by changing the effective date to apply to gross income or gross proceeds received after June 30, 2011, from the sale of aviation fuel for air transportation.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs 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. 123, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 123, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8; Ayes with Reservations (Solomon). Noes, none. Excused, 3 (Dela Cruz, Kouchi, Slom).

**SCRep. 929 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on H.B. No. 1435**

The purpose and intent of this measure is to make amendments to the State's ignition interlock law recommended by the Hawaii Ignition Interlock Implementation Task Force pursuant to Act 171, Session Laws of Hawaii 2008, as amended. This measure, among other things:

- (1) Eliminates the requirement that the arresting officer take possession of the motor vehicle registration and remove the license plate, and issue a temporary motor vehicle registration and temporary number plate for the motor vehicle; and
- (2) Requires the installation of an ignition interlock device in any motor vehicle that the repeat intoxicated driver operates.

Your Committees received testimony in support of this measure from the Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, Mothers Against Drunk Driving HAWAII, Hawaii Ignition Interlock Implementation Task Force, Iron Workers Stabilization Fund, and three individuals. Your Committee received testimony in opposition to this measure from the Department of Transportation, Department of Health, and Honolulu Police Department. Your Committee received comments on this measure from the Judiciary and City and County of Honolulu Department of Customer Services.

Act 171, Session Laws of Hawaii 2008, established an Ignition Interlock Program. The purpose of the program is to require drivers whose licenses have been administratively revoked for, or who have been convicted of, operating a vehicle while under the influence of an intoxicant to install an ignition interlock device on their vehicles. The device will prevent these drivers from starting or operating their vehicles when the driver has more than a minimal concentration of alcohol.

Act 171 also established the Hawaii Ignition Interlock Implementation Task Force to study the issues surrounding implementation of the program and to make recommendations to address them. The Hawaii Ignition Interlock Implementation Task Force met numerous times in committees and as a whole, had comprehensive discussions on a multitude of issues relating to the implementation of the Ignition Interlock Program, and made recommendations for statutory amendments necessary to implement the program.

Your Committees have amended this measure by deleting its contents and replacing them with the contents of S.B. No. 825, S.D. 1, which:

- (1) Extends the sunset date of the Hawaii Ignition Interlock Implementation Task Force to June 30, 2012;
- (2) Inserts an effective date of July 1, 2011; and
- (3) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

Finally, your Committees have further amended this measure by clarifying that this measure applies retroactively to arrests occurring on or after January 1, 2011.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1435, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1435, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Gabbard, Kidani, Kouchi).

**SCRep. 930 Energy and Environment on H.B. No. 1520**

The purpose and intent of this measure is to support the State's overall clean energy objectives by:

- (1) Exempting owners and operators of renewable energy generating facilities located on property owned by another person from regulation as a public utility when electricity generated by those facilities is supplied to that property owner or an electric utility; and
- (2) Requiring the Public Utilities Commission (PUC) to monitor the impact of net energy metering on existing electric utility ratepayers.

Prior to the public hearing on this measure, your Committee posted a proposed S.D. 1, which deleted the contents of this measure and replaced them with provisions directing the PUC to create and implement an on-bill financing program for residential electric utility consumers to finance purchases of energy-efficient or renewable energy devices and systems through their electric utility bills.

Your Committee received testimony in support of the proposed S.D. 1 from Jeffrey T. Ono, Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Jeff Mikulina, Blue Planet Foundation; Christy Imata, Hawaii Solar Energy Association; Robert Harris, Sierra Club, Hawai'i Chapter; Douglas Codiga; and Anthony Aalto. Your Committee received testimony in opposition to the proposed S.D. 1 from Hermina Morita, Public Utilities Commission; and Ray Starling, Hawaii Public Benefits Fee Administrator. Your Committee received comments on the proposed S.D. 1 from Richard Lim, Department of Business, Economic Development, and Tourism; Myoung Oh, Hawaii Association of REALTORS; Warren Bollmeier, Hawaii Renewable Energy Alliance; and Alan Hee, Hawaii Electric Company, Inc.

Your Committee finds that up-front costs are a barrier preventing many Hawaii residents from installing renewable energy systems or replacing energy-inefficient home appliances with energy-saving alternatives. Existing tax credit and rebate programs have not been enough of an incentive to offset up-front costs.

Your Committee further finds that allowing public utilities customers to finance purchases of energy-saving appliances and renewable energy technology through on-bill financing backed by the public benefits fee may be a solution to the problem of high up-front costs. Your Committee recognizes, however, that on-bill financing can be expensive to administer and can cause a number of difficulties when tenants move or when property is sold.

Your Committee has amended this measure by deleting its contents and replacing them with the contents of the proposed S.D. 1. Your Committee has further amended this measure by:

- (1) Inserting a provision requiring that tenants may participate only with the written consent of the owner of the tenant's dwelling unit;
- (2) Deleting the inclusion of the purchase of ENERGY STAR refrigerators as an eligible purchase under the on-bill financing program;
- (3) Specifying that the PUC, rather than the Public Benefits Fee Administrator, shall determine what percentage of collected public benefits fees shall be expended on the on-bill financing program;
- (4) Requiring the PUC to ensure that certain reasonable costs incurred by electric utilities are recovered; and
- (5) Amending the purpose section accordingly.

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. 1520, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1520, 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, 3. Noes, none. Excused, 2 (English, Slom).

**SCRep. 931 Energy and Environment on H.B. No. 1286**

The purpose and intent of this measure is to help increase the availability of energy in the form of electricity or biofuels by amending Act 110, Session Laws of Hawaii 2009, which authorized the issuance of special purpose revenue bonds to assist BioEnergy Hawaii, LLC, to establish and operate one or more cogeneration facilities in the State to:

- (1) Broaden the scope of the project to include the production of biofuels, in addition to electricity; and
- (2) Authorize the sale of electric energy or biofuels to refineries serving the public, public agencies, or public facilities.

Your Committee received testimony in support of this measure from Guy Kaniho, BioEnergy Hawaii, LLC; and Dante Carpenter, Pacific Waste, Inc. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that it is in the public interest to encourage the development of cogeneration facilities that make energy available to members of the public by the sale of electricity or biofuels, or both, to an electric utility or refinery, or both, that serves the area in which the facility is located. Your Committee recognizes that under the Internal Revenue Code there is a limitation on the amount of tax-exempt financing for industrial projects and that BioEnergy Hawaii, LLC, may have to consult with a bond counsel firm to determine whether the project may qualify for the full amount of tax-exempt financing. Your Committee further finds that S.B. No. 1476, S.D. 2, contains all of the same provisions as this measure but more comprehensively updates the purposes of Act 110, Session Laws of Hawaii 2009.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with provisions from S.B. No. 1476, S.D. 2, which authorizes the issuance of special purpose revenue bonds in an amount not to exceed \$100,000,000 to assist BioEnergy Hawaii, LLC, to establish a cogeneration facility and related energy production facilities for electrical output or biofuels energy, or both;
- (2) Adding a section to repeal Act 110, Session Laws of Hawaii 2009, as that Act will no longer be necessary; and
- (3) Changing the effective date to upon approval.

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. 1286, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1286, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Slom).

**SCRep. 932 Health on H.B. No. 597**

The purpose of this measure is to expand the definition of “quality assurance committee” to include interdisciplinary quality assurance committees composed of members from various health care organizations. The intent of this measure is to establish that the proceedings and records of interdisciplinary quality assurance committees composed of members from various health care organizations have similar protections as those committees formed by hospitals, health maintenance organizations, and statewide trauma care systems.

Your Committee received testimony in support of this measure from The Queen’s Medical Center and Healthcare Association of Hawaii.

Your Committee acknowledges that robust discussion leads to changes in health care policies, procedures, or practices and, in order to encourage such robust discussions, there is a need to protect peer review and quality assurance discussions on health care from their potential use in medical malpractice lawsuits. Your Committee heard concerns regarding the impact that this measure may have on discoverable information. Your Committee asserts that this measure does not seek to change discovery rules; rather, the goal of this measure is to encourage collaborative discussions regarding health care policies, procedures, and practices.

Your Committee has amended this measure by inserting an effective date of July 1, 2030, to allow for 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. 597, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 597, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Wakai, Slom).

**SCRep. 933 (Joint) Water, Land, and Housing and Energy and Environment on H.B. No. 496**

The purpose and intent of this measure is to:

- (1) Establish a pilot project within the Department of Land and Natural Resources to remove pollutants and improve water clarity in Lake Wilson;
- (2) Require the Department of Land and Natural Resources to report to the Legislature on the viability, safety, and effectiveness of the pilot project; and
- (3) Appropriate an unspecified sum to the Department of Land and Natural Resources for the 2011-2012 fiscal year to conduct the pilot project.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs and Partners in Development Foundation. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that Lake Wilson, Hawaii’s largest reservoir, has the potential to provide the water needed for the North Shore of Oahu’s agricultural expansion, but that the current quality of the water limits the amount of crops that can be produced nearby. A cleaner Lake Wilson can also be used for recreational opportunities. This measure proposes an innovative way to remove pollutants and improve water quality in Lake Wilson, which can in turn support local agriculture, reduce our reliance on imported foods, and decrease our dependence on fossil fuels.

Your Committees have amended this measure by:

- (1) Deleting “marine”, which may imply saltwater, from the phrase “marine phytoremediation” to avoid confusion, as Lake Wilson is a freshwater body; and
- (2) 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 Water, Land, and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 496, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 496, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (English, Fukunaga, Slom, Tokuda).

**SCRep. 934 (Majority) Water, Land, and Housing on H.B. No. 744**

The purpose and intent of this measure is to create the Dam Safety Task Force to review applicable state laws, administrative rules, and county ordinances; recommend actions to be taken by the Engineering Division of the Department of Land and Natural Resources in its administration of the Hawaii Dam Safety Program; and report its finding and recommendations to the Legislature.

Your Committee received testimony in support of this measure from the Land Use Research Foundation of Hawaii; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau Federation; David Tarnas; Tim Richards; and Stephen Bowles. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from Alexander and Baldwin, Inc.

Your Committee finds that new rules imposing fees on dam owners, although implemented to improve the safety of the dams, may prove overly burdensome to dam owners. In light of the tragedy at Kaloko, however, public safety cannot be taken lightly. This situation warrants bringing together state actors and private sector dam owners to formulate a solution to these issues. This measure provides an incentive to keep dams in operation and good repair by making eligible for certain state and county incentives dams on designated Important Agricultural Lands that are used primarily for designated agricultural uses.

Your Committee has amended this measure by:

- (1) Providing that certain dams and related reservoirs shall qualify for certain state and county incentives under section 205-46, Hawaii Revised Statutes; 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 744, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 744, 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, 1 (Tokuda). Excused, 1 (Slom).

**SCRep. 935 Water, Land, and Housing on H.B. No. 850**

The purpose and intent of this measure is to implement a community-based fishery resource management area program for the island of Lanai.

Your Committee received testimony in support of this measure from Hawaiian Electric Company, Inc.; Sierra Club, Hawai'i Chapter; Lanai Hunters Advisory; Janice Palma-Glennie; George Purdy; Mele Davis; Max Renigado; Ken Esclito; and H. Mei Lani Aki. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources and Carl Jellings, Sr.

Your Committee finds that resource management is site specific. Natural resource management practices that encompass traditional Hawaiian fishing practices must be adapted to the local environments and applied with a local understanding of the environmental and ecological conditions affecting the natural resources.

The Lanai community, in particular, has voiced concerns about the impacts of overfishing, invasive species, and the impact of marine cage aquaculture on its subsistence lifestyle. This measure recognizes that the residents of Lanai are in the best position to understand the yields, cycles, and patterns of their fisheries, and takes advantage of that historical knowledge by implementing a community-based fishery resource management area program.

Your Committee has amended this measure by:

- (1) Changing the membership criteria for the Lanai Community-based Fishery Resource Management Area Advisory Committee and the mandate for the Committee to focus on fishing cultural practices that emphasize sustaining the fishery;
- (2) Deleting the reference to "konohiki" on page 4, line 15 to avoid confusion with section 187A-23, Hawaii Revised Statutes, which governs konohiki fisheries;
- (3) Requiring the plan that establishes the management framework for fishery resources to be based on best available information, regardless of whether that information is based on personal observation of and adjustments or responses to environmental changes, or otherwise;
- (4) Requiring the Advisory Committee to establish a community-based fishery resource management area system that, among other things, can respond quickly to environmental changes and changes in the fishery stock;
- (5) Providing that the rules proposed by the Advisory Committee and adopted pursuant to chapter 91, Hawaii Revised Statutes, shall be incorporated as the fishery management structure for the island of Lanai upon the implementation of the 'aha kiole or 'aha moku system;
- (6) Changing the effective date to July 1, 2011; 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 Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 850, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 850, 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 (Shimabukuro, Slom).

**SCRep. 936 Water, Land, and Housing on H.B. No. 960**

The purpose and intent of this measure is to:

- (1) Establish a program for granting no-interest loans in lieu of certain state low-income housing tax credits to developers of affordable rental housing who qualify for those tax credits; and
- (2) Authorize the issuance of general obligation bonds to fund the no-interest loans.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; City and County of Honolulu, Department of Community Services; Land Use Research Foundation of Hawaii; Hawai'i Association of REALTORS; The Pacific Resource Partnership; Catholic Charities Hawai'i; Miyabara Associates LLC; Royal Contracting Co., Ltd.; Stanford Carr Development, LLC; Vitus Innovative Development; Palekana Permitting and Planning; Hawaiian Dredging Construction Company, Inc.; Kevin S. Kennedy Consulting, LLC; Richard Matsunaga and Associates Architects Inc.; Otis Elevator Company; United Steel, LLC; Moss Engineering, Inc.; Diane Kodama; Geoff Miasnik; Tze Kwan Marr; and John Serikawa. Your Committee received comments on this measure from the Department of the Attorney General; Department of Budget and Finance; Department of Taxation; Tax Foundation of Hawaii; and Diane Taira.

Your Committee finds that the State has a great need for affordable rental housing, as evidenced by the Hawaii Housing Policy Study, 2006 update. The State Low-Income Housing Tax Credit Program was established to promote the development or substantial rehabilitation of affordable rental housing. However, there is currently little demand for state low-income housing tax credits. This measure provides an alternative financing vehicle, no-interest loans, to developers of affordable housing.

Your Committee notes the testimony of the Department of Budget and Finance, which indicates that as the bond proceeds will be used for private purposes, taxable general obligation bonds, with interest rates higher than those of tax-exempt general obligation bonds, will need to be issued to fund the low-income housing tax credit loans.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 960, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 960, 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 (Shimabukuro, Slom).

**SCRep. 937 Water, Land, and Housing on H.B. No. 1020**

The purpose and intent of this measure is to:

- (1) Abolish the Aloha Tower Development Corporation, transferring its rights, powers, functions, duties, and assets, including leases, to the Hawaii Community Development Authority;
- (2) Transfer the Aloha Tower Fund to the Hawaii Community Development Authority;
- (3) Transfer the implementation authority of the Commercial Harbors Modernization Plan to the Department of Transportation; and
- (4) Appropriate an unspecified amount of funds from the Aloha Tower Fund for the Hawaii Community Development Authority.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received testimony in opposition to this measure from The Outdoor Circle. Your Committee received comments on this measure from the Department of Transportation and Hawaii Community Development Authority.

Your Committee acknowledges that the Aloha Tower Complex is a potentially valuable asset if properly developed. However, the Aloha Tower Development Corporation has not developed the Aloha Tower Complex so as to generate consistent revenues. In spite of past mismanagement, the State could potentially realize significant economic value from the sale of the Aloha Tower Complex.

Your Committee notes the testimony of the Department of Transportation, stating that there is a prospective purchase of the Aloha Tower Marketplace and that it is imperative that the Aloha Tower Development Corporation remain in place to provide stability to the immediate situation. The Department of Transportation also testified that the Harbors Modernization projects have already been incorporated into its capital projects budget and will be executed as part of its programs and operations.

Accordingly, your Committee has amended this measure by adopting the amendments proposed by the Department of Transportation. As amended, this measure:

- (1) Retains the Aloha Tower Development Corporation and places the Corporation under the Department of Transportation for administrative purposes;

- (2) Reduces the number of members of the Board of Directors of the Aloha Tower Development Corporation from seven to three – the Director of Transportation; Deputy Director of Transportation, Harbors Division; and Director of Business, Economic Development, and Tourism;
- (3) Limits the use of Aloha Tower Fund monies for certain costs related to lands located seaward of Nimitz Highway and between Pier 4 and Pier 11, rather than between Pier 4 and the Honolulu International Airport;
- (4) Deletes language that would have transferred the responsibility of implementing the Commercial Harbors Plan to the Department of Transportation;
- (5) Authorizes the use of Aloha Tower Fund monies for lease payments to the Department of Transportation;
- (6) Repeals the Harbors Modernization Group; and
- (7) Appropriates an unspecified sum from the Aloha Tower Fund to the Department of Transportation for operating expenses for the Aloha Tower Development Corporation.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1020, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1020, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 938 Water, Land, and Housing on H.B. No. 1079**

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to collect fees to cover the technical assistance program costs for habitat conservation plans.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; First Wind; and George Purdy.

Your Committee finds that the number of incidental take licenses and requests for technical assistance related to habitat conservation plans have increased significantly in recent years, and the Department of Land and Natural Resources' current budget cannot meet this increase in demand without fiscal support, such as the authorization to collect fees proposed by this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date from July 1, 2030, to upon approval; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1079, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1079, 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 (Shimabukuro, Slom).

**SCRep. 939 Water, Land, and Housing on H.B. No. 1566**

The purpose and intent of this measure is to generate immediate and future revenues for needed repair and maintenance of public harbor facilities by:

- (1) Exempting the Ala Wai Boat Harbor from assessment and special improvement district requirements regarding redevelopment;
- (2) Clarifying the permissible uses of leased state boating facility properties to include ocean recreation activities;
- (3) Extending the maximum term for the disposition of public lands of state boating facilities to 65 years to facilitate redevelopment;
- (4) Requiring any fees collected within the small boat harbors to be expended only for costs relating to the operation, upkeep, maintenance, and improvement of small boat harbors;
- (5) Allowing the Department of Land and Natural Resources to issue commercial use permits for vessels with assigned moorings in Ala Wai and Keehi Boat Harbors;
- (6) Providing for future mooring fees to be established by appraisal by a state-licensed appraiser;
- (7) Authorizing the Department of Land and Natural Resources to assess and collect utility fees, including electrical and water charges, and common area maintenance fees, in small boat harbors; and
- (8) Directing the Department of Land and Natural Resources to use the request for proposals process for the public-private development, management, and operation of areas of the Ala Wai Boat Harbor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Chris McClurin, and Charles Bellman. Your Committee received testimony in opposition to this measure from Waikiki Neighborhood Board No. 9; Ocean Tourism Coalition; Maui Classic Charters, Inc.; Idlewild Charters Inc. DBA Frogman Charters; Ilikai Association of Apartment Owners; Reg White; Nancy Mueeting; Robert Winter; Dave Cooper; Joseph Shacat; Susan Ray; and William Marshall.

Your Committee finds that public harbor facilities statewide are in need of repair and maintenance. Unique among state boat harbors, the Ala Wai and Keehi Boat Harbors currently prohibit commercial vessel activity. This measure would allow limited commercial activity at Ala Wai and Keehi Boat Harbors to increase revenues for the Department of Land and Natural Resources, which will in turn facilitate the upkeep of public harbor facilities.

Your Committee has heard the testimony of concerned parties who oppose imposing fees for common areas, water, and electricity. However, improving and maintaining public harbor facilities cannot proceed free of debt without user-generated revenues. This measure incorporates numerous revenue-generating methods to maximize the amount of revenues received by the Department of Land and Natural Resources.

Your Committee has also heard the testimony of concerned parties who oppose permitting hotel and timeshare uses at Ala Wai and Keehi Boat Harbors. Your Committee believes these concerns merit further discussion by the Committee on Ways and Means. Accordingly, your Committee has not amended the effective date of July 1, 2030, to ensure ongoing discussions on this issue.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1566, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1566, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 940 Water, Land, and Housing on H.B. No. 1505**

The purpose and intent of this measure is to facilitate the repair and maintenance of state facilities by:

- (1) Authorizing the State to sell, subject to certain conditions, designated state facilities to a private investor, as defined in this measure; and
- (2) Authorizing the private investor to renovate, improve, or construct the state facility, pursuant to the terms of a development agreement between the State and the private investor.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, The Pacific Resource Partnership, CB Richard Ellis, Inc., and one individual. Your Committee received testimony in opposition to this measure from William Marshall, Dave Cooper, and Nancy Terrell. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that many state facilities are in dire need of critical repair and maintenance. Public-private partnerships offer a way to address the State's significant backlog of deferred facility maintenance. Moreover, the sale of state facilities can quickly generate cash, which can, among other things, be used to conduct deferred repair and maintenance of state facilities.

Your Committee notes the testimony of the Department of Budget and Finance, which indicates that the sale of public buildings previously financed with general obligation bonds that are currently outstanding may trigger a "change of use" of the bond financed building, as the owner of the building for federal tax purposes will be a private entity. This may result in a pro-rated portion of the bond issue that no longer qualifies for federal tax exemption. Your Committee finds that this issue merits further discussion by your Committee on Ways and Means.

Your Committee further notes that there are long-term financial considerations that could be either beneficial or detrimental to the State as the landowner and occupant of state facilities. Each transaction or building would pose different considerations; therefore, any transaction should be undertaken with diligent care to ensure that future state interests are preserved.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1505, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1505, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 941 Water, Land, and Housing on H.B. No. 1312**

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to lease certain fast and submerged lands of the Ala Wai Boat Harbor to generate revenue to improve and maintain state small boat harbor facilities.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Nobuaki Yoshino, Chris McClurin, Charles Bellman, Keith Kiuchi, and Charles Barclay. Your Committee received testimony in opposition to this measure from Waikiki Neighborhood Board No. 9, Ilikai Association of Apartment Owners, Reg White, Nancy Mueing, Dave Cooper, William Marshall, Susan Ray, Beth Malvestiti, and Nancy Terrell.

Your Committee finds that the Ala Wai Boat Harbor includes certain assets within its facilities that are currently underutilized. If properly developed, these assets could generate revenue that would enable the Department of Land and Natural Resources to improve and maintain not only Ala Wai Boat Harbor, but also other facilities operated by the Division of Boating and Ocean Recreation. This measure takes advantage of the development potential of the Ala Wai Boat Harbor by authorizing the Department to lease certain fast and submerged lands to generate revenue.

Your Committee notes the testimony of the Department of Land and Natural Resources, which indicates that the revenue expected to be generated as a result of this measure can help the agency achieve its long-range repair and maintenance goals for public harbor facilities.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1312, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1312, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 942 Water, Land, and Housing on H.B. No. 1164**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to consider the sale or exchange of Sand Island parcels to leaseholders, and to report its findings and recommendations to the Legislature.

Your Committee received testimony in support of this measure from the Sand Island Business Association; KOGA Engineering and Construction, Inc.; Robert M. Kaya Builders, Inc.; Bob Sakamoto Welding Inc.; Tomco Corp.; Ikaika Builders, Inc.; Ideal Construction, Inc.; Projects Plus, Inc.; Tajiri Demolition and Disposal LLC; Economy Plumbing and Sheet Metal, Inc.; S and M Welding Co., Ltd.; Imua Sales and Service Inc.; Walter Arakaki General Contractor, Inc.; Mitsunaga Construction, Inc.; Downstream, Inc.; and Jayar Construction, Inc. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs and Department of Land and Natural Resources.

Your Committee finds that the Department of Land and Natural Resources relies on income from lease revenues derived from the Sand Island Industrial Park master lease to fund conservation and enforcement activities. Sale of the Sand Island parcels will generate cash inflows, but will not generate a permanent source of revenue. Therefore, the sale of the lands could detract from the agency's ability to support its own conservation and enforcement activities over an extended period of time.

Authorizing the Department of Land and Natural Resources to consider the exchange of Sand Island parcels to leaseholders will encourage the Department to decide whether it is in the State's best interest to execute a land exchange or retain the fee title to certain Sand Island parcels.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 608, S.D. 2, and further amending the measure, upon the recommendation of the Department of Land and Natural Resources, by:

- (1) Making it discretionary that the Department of Land and Natural Resources consider the exchange of any Sand Island parcels and eliminating the Department's duty to consider the sale of any Sand Island parcels; and
- (2) Clarifying the factors that the Department may consider in evaluating an exchange of Sand Island parcels.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1164, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1164, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Shimabukuro). Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 943 Water, Land, and Housing on H.B. No. 1082**

The purpose and intent of this measure is to:

- (1) Establish the Conservation and Resources Enforcement Special Fund to be administered by the Department of Natural Resources; and
- (2) Appropriate an unspecified sum out of the Conservation and Resources Enforcement Special Fund for expenses relating to enforcing natural, cultural, and historic resources protection laws and rules.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; The Nature Conservancy; Sierra Club, Hawai'i Chapter; and George Purdy. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources has been approached by private sources that are interested in partnering with the Department to improve natural, cultural, and historic resources. Currently, the Department of Land and Natural Resources can only accept and establish trust accounts to manage one-year grants; it does not have an established and dedicated account into which it can place multi-year non-governmental funding. This measure would create a special fund for that purpose.

Your Committee notes that the testimony of the Department of Land and Natural Resources requests an appropriation of \$250,000 out of the General Fund for fiscal year 2011-2012 to be deposited into the Conservation and Resources Enforcement Special Fund.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2030, to upon approval; 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1082, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1082, 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 (Shimabukuro, Slom).

**SCRep. 944 Education on H.B. No. 1056**

The purpose and intent of this measure is to permit the Department of Education to determine alternative routes to certification for principals and vice-principals.

Your Committee received testimony in support of this measure from the Department of Education and the College of Education of the University of Hawai'i at Manoa.

Your Committee finds that the current Department of Education requirements for certification of principals and vice-principals are too restrictive and conflict with requirements of the federal Race to the Top grant. This measure will allow principal and vice-principal candidates to meet certification requirements through alternative routes to certification that meet the federal Race to the Top grant requirements.

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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1056, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1056, 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 (Slom).

**SCRep. 945 (Joint) Education and Public Safety, Government Operations, and Military Affairs on H.B. No. 4**

The purpose and intent of this measure is to, among other things:

- (1) Make the Interstate Compact on Educational Opportunity for Military Children permanent by removing the July 1, 2011, sunset date from Act 152, Session Laws of Hawaii 2009;
- (2) Delete the definition of "test period" within the Compact;
- (3) Delete provisions relating to furnishing of unofficial education records and principal's determination of available space; and
- (4) Clarify military representation on the State Council on Educational Opportunity for Military Children within the Board of Education.

Your Committees received testimony in support of this measure from the Office of the Commanding General, United States Army, Pacific; United States Marine Corps Forces, Pacific; State of Hawaii Department of Defense; Department of Defense State Liaison Office; Department of Education; General Counsel for Interstate Commission on Educational Opportunity for Military Children; Military Officers Association of America, Hawaii Chapter; Military Impacted Principals Council; The Oahu Veterans Council; The Chamber of Commerce of Hawaii; Hawaii Business Roundtable Incorporated; and one individual.

Your Committees find that frequent moves and deployment of military families create special challenges for children of military members. The Interstate Compact on Educational Opportunity for Military Children was designed to help overcome educational transition issues of children of military families and to help ease the strain on families due to deployment. This measure will make the Compact, which was enacted by Act 152, Session Laws of Hawaii 2009, permanent.

Your Committees have amended this measure by:

- (1) Clarifying that course placement includes but is not limited to honors, international baccalaureate, advanced placement, vocational, technical, and career pathways courses;
- (2) Clarifying that educational program placement includes but is not limited to Gifted and Talented and English as a Second Language Programs; 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 Education and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 4, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 4, 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; Ayes with Reservations (Chun Oakland). Noes, none. Excused, 2 (Baker, Taniguchi).

**SCRep. 946 Economic Development and Technology on H.B. No. 782**

The purpose and intent of this measure is to:

- (1) Establish the Department of Business, Economic Development, and Tourism Operation Special Fund for the operation of the Department of Business, Economic Development, and Tourism; and

- (2) Impose a surcharge on certain business- and commerce-related fees and require the surcharge revenues to be deposited into the Special Fund.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations, Hawaii Insurers Council, USAA, Hawaii Financial Services Association, American Council of Life Insurers, National Association of Insurance and Financial Advisors, State Farm Insurance Companies, E Noa Corporation, and Hawaiian Electric Company, Inc. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that this measure would provide the Department of Business, Economic Development, and Tourism with a dedicated source of funding that would enable the Department to engage in more long-term planning and other activities that are crucial to the State's economic development.

Your Committee has heard a number of concerns regarding this measure, but believes that the proposal merits further consideration.

Your Committee has amended this measure 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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 782, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 782, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Baker, Solomon). Noes, none. Excused, 1 (Slom).

**SCRep. 947 Education on H.B. No. 953**

The purpose and intent of this measure is to provide the Department of Education with flexibility to recruit qualified individuals for certain leadership positions within the Department by changing the salary cap for the Deputy Superintendent, Assistant Superintendents, and Complex Area Superintendents from eighty percent of the Superintendent's salary to one hundred percent of the Superintendent's salary.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that existing statutory limits on the salaries of the Deputy Superintendent, Assistant Superintendents, and Complex Area Superintendents create a challenge in recruiting for and filling these positions. Removing salary caps on these positions will make the positions more competitive and will enhance the ability of the State to recruit the most qualified and experienced individuals.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 953, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Nishihara). Noes, none. Excused, 1 (Slom).

**SCRep. 948 (Majority) Commerce and Consumer Protection on H.B. No. 845**

The purpose and intent of this measure is to provide relief for lessees in long-term residential ground leases that will expire imminently by permitting a lessee to request an extension of the lease, requiring a lessor to sell a fee simple interest in the land subject to the lease pursuant to specified conditions, and establishing a dispute resolution process.

Your Committee received testimony in support of this measure from West Maui Improvement Foundation; Waikiki Neighborhood Board No. 9; Waikiki Area Residents Association; 'Iolani Banyan Cooperative Association; Date-Laau Community Association; 'Ulalena at Maui Theatre; Lani Home Apartment Association; Sans Souci, Inc.; and two hundred twenty-three individuals. Your Committee received testimony in opposition to this measure from the Mayor of the City and County of Honolulu; Land Use Research Foundation of Hawaii; Building Industry Association of Hawaii; Royal Contracting Co., Ltd.; Kamehameha Schools; Hawai'i Association of REALTORS; Queen Emma Land Company; Building Futures, LLC; Hawaii Reserves, Inc.; Ashford & Wriston; Hawaii Association of Independent Schools; and four individuals. Your Committee received comments on this measure from one private individual.

Your Committee finds that the shortage of affordable housing in this State has reached crisis levels with a projected shortfall of over 24,000 affordable housing units in the State by 2015. Your Committee also finds that Hawaii's long-standing and only recently abolished land oligarchy created a real estate market in which fee simple home ownership was unavailable to the majority of residents until the Legislature and eventually the United States Supreme Court intervened. Your Committee further finds that the imminent expiration of long-term ground leases combined with the lack of affordable housing options puts an entire class of Hawaii homeowners, individuals who own their housing units but hold only a leasehold interest in the underlying land, at risk of homelessness upon the expiration of their leases and removal from their current homes. Finally, your Committee finds that the State has an interest in promoting the property rights of lessors and lessees to long-term residential ground leases.

Your Committee has amended this measure by deleting its contents and replacing them with:

- (1) A purpose section that accurately describes the purpose of this measure and related legislative findings;
- (2) The requirement that a lessor notify a lessee no later than five years before the expiration of a long-term residential ground lease of the lessor's intended disposition of the lease and the land subject to the lease;

- (3) Authorization for the extension of long-term residential ground leases on property that is not subject to development or redevelopment;
- (4) A tax credit to incentivize the extension of long-term residential ground leases;
- (5) Provisions for conversion of owner-occupancy or long-term tenancy of land subject to a long-term residential lease to tenancy subject to the Landlord-tenant Code and specified conditions; and
- (6) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 845, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 845, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Slom). Excused, none.

**SCRep. 949 (Joint) Human Services and Judiciary and Labor on H.B. No. 231**

The purpose and intent of this measure is to:

- (1) Require visitors at public housing projects to obtain visitor passes;
- (2) Extend the criminal trespass statute to public housing projects;
- (3) Require the Hawaii Public Housing Authority to create a two-year pilot project for Mayor Wright Homes; and
- (4) Appropriate funds for the pilot project.

Your Committees received testimony in support of this measure from twenty-eight individuals. Your Committees received testimony in opposition to this measure from the Hawaii Public Housing Authority, Police Department of the City and County of Honolulu, American Civil Liberties Union of Hawai'i, and Legal Aid Society of Hawai'i.

Your Committees find that increased safety and security measures are needed at public housing projects. Based on information received from the Hawaii Public Housing Authority, the scope of the pilot project proposed by this measure will include designing a surveillance system, and improvements to fencing, lighting, and a guard post. According to the Hawaii Public Housing Authority, the preliminary cost estimate for the pilot project is \$125,000. Your Committees note that the Hawaii Public Housing Authority is expected to provide your Committee on Ways and Means with additional cost information.

Your Committees have heard the concerns that implementing a program that requires visitors to any public housing project to obtain visitor passes may be administratively burdensome. Your Committees have also heard the concerns that requiring visitor passes and extending the criminal trespass statute to public housing may pose constitutional concerns.

Accordingly, your Committees have amended this measure by:

- (1) Deleting section 1, which would have required visitors at public housing projects to obtain visitor passes;
- (2) Deleting section 2, which would have established that remaining unlawfully on the premises of a public housing project constitutes criminal trespass in the first degree;
- (3) Adding language that details the scope of the pilot project at Mayor Wright Homes; and
- (4) 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 Human Services and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 231, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 231, 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, none.

**SCRep. 950 Water, Land, and Housing on H.B. No. 331**

The purpose and intent of this measure is to clarify that the Board of Land and Natural Resources may extend or modify the fixed rental period of certain leases, provided that the aggregate of the initial term and any extension granted shall not exceed sixty-five years.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Farm Bureau Federation; Kanoelehua Industrial Area Association; Dhucks; Hawaii Aquaculture and Aquaponics Association; McCully Works; Mauna Kea Infrared, LLC; Pinky's; Takamine Construction, Inc.; Chika Nakano Repair Shop Inc.; Pacific Circulation, Inc.; Bert M. Wagatsuma; Pacific Air Supply, Inc.; John Chiquita, Jr.; Roger Antonio; Dayton Jackson; Trudee Siemann; and Jieyu Shepard. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that pursuant to section 171-36, Hawaii Revised Statutes, the Department of Land and Natural Resources may extend certain leases provided that the aggregate of the initial term and the aggregate term shall not exceed fifty-five years. However, this fifty-five year limit is nonsensical in light of the current sixty-five year overall maximum term for public land leases. This measure would allow the Department to grant certain qualified lessees an extended term up to the overall maximum term for public land leases of sixty-five years.



Your Committee further finds that invasive species pose a potential threat to the environment. Pursuant to section 197-3, Hawaii Revised Statutes, no species of aquatic life and wildlife shall be deliberately introduced by the Department of Land and Natural Resources into any habitat within the State, unless the introduction is recommended by the Department and authorized by rules of the Department pursuant to chapter 91, Hawaii Revised Statutes. This measure would broaden the restriction on introducing aquatic life and wildlife into any habitat within the State to apply to any person, as well as the Department.

Your Committee has amended this measure by:

- (1) Amending the definition of wildlife in section 197-1, Hawaii Revised Statutes, to include certain mammals that are non-domesticated but have been obtained after being reared, including but not limited to wild pigs, deer, and rabbits;
- (2) Clarifying that the restriction on introducing, whether deliberately or otherwise, any species of aquatic life or wildlife into any habitat in the State without the recommendation and authorization of the Department of Land and Natural Resources, applies to any person, as well as the Department; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 331, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 331, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 951 Water, Land, and Housing on H.B. No. 389**

The purpose and intent of this measure is to protect one of Hawaii's wetland areas and restore it to productive use by:

- (1) Establishing the Heeiea Community Development District, and stipulating its boundaries;
- (2) Establishing general polices to guide the development of the Heeiea Community Development District;
- (3) Creating the Heeiea Community Development Revolving Fund along with a dedicated revenue stream to be deposited into the Fund; and
- (4) Adding three voting members to the Hawaii Community Development Authority, who are permitted to vote only on issues relating to the Heeiea Community Development District.

Your Committee received testimony in support of this measure from the Hawaii Community Development Authority; Department of Business, Economic Development, and Tourism, Office of Planning; The Nature Conservancy; Ko'olaupoko Hawaiian Civic Club; Kako'o O'iwi; Ko'olau Foundation; Ko'olauloa Hawaiian Civic Club; Caroline Bright; and Leialoha Kaluhiwa. Your Committee received testimony in opposition to this measure from the City and County of Honolulu, Department of Planning and Permitting. Your Committee received comments on this measure from the Department of the Attorney General; Kamehameha Schools; and Department of Budget and Finance.

Your Committee finds that there is an area in the Heeiea ahupua'a, which is located in Koolauloko, Oahu, in close proximity to the Heeiea fishpond that is commonly known as the "Heeiea wetlands." On July 2, 1991, the Hawaii Community Development Authority acquired the Heeiea wetlands, consisting of approximately four hundred five acres, by assuming the buyer's position in an existing purchase agreement and folding it into an exchange agreement with Kamehameha Schools. In 1994, in accordance with the terms of the original exchange agreement, approximately eighty acres of the Heeiea wetlands were reconveyed to Kamehameha Schools.

Kako'o O'iwi, a Hawaii nonprofit corporation, approached the Hawaii Community Development Authority to request a long-term lease to restore the wetlands, eliminate invasive species, and establish an agricultural and educational center that will contribute to the community at-large. In March 2010, a thirty-eight year lease was granted to Kako'o O'iwi for these purposes.

Your Committee notes the concerns of Kamehameha Schools, which expressed support for the intent of the bill, but testified against the inclusion of the Kamehameha Schools-owned parcel in the Heeiea Community Development District. As a private landowner with a perpetual mission, Kamehameha Schools requested that it retain the full ability to make strategic uses of its land assets.

Prior to your decision making, your Committee made available for public review a proposed S.D. 1, which:

- (1) Incorporated amendments suggested by the Department of the Attorney General to remove ambiguous language;
- (2) Authorized certain development rights to be conveyed from owners in agricultural districts to certain owners of land in urban districts, subject to certain conditions; and
- (3) Changed the effective date to July 1, 2050.

Your Committee adopted the amendments in the proposed S.D. 1 and further amended the measure by:

- (1) Deleting sections 3 through 7 of the proposed S.D. 1, which would have authorized certain development rights to be conveyed from owners in agricultural districts to certain owners of land in urban districts, subject to certain conditions;
- (2) Deleting parts of the proposed S.D. 1 that would have included lands owned by Kamehameha Schools in the Heeiea Community Development District;
- (3) Changing the effective date of this measure from July 1, 2050, to upon approval; 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 Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 389, 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, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 952 (Joint) Economic Development and Technology and Judiciary and Labor on H.B. No. 828**

The purpose and intent of this measure is to:

- (1) Establish conditions for inspections of required records and receipts of cash business transactions;
- (2) Clarify state of mind for a violation of record and receipt requirements;
- (3) Allow business transaction records to be hand written or generated by a manually operated or electronic cash register;
- (4) Limit to \$100 the fine for a violation if the person is otherwise in compliance with tax laws; and
- (5) Repeal the failure to record transaction by register provisions.

Your Committees received testimony in opposition to this measure from the Department of Taxation. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees have heard concerns raised by the Department of Taxation that this measure would impede the Department's efforts to collect general excise taxes owed to the State, particularly those identified as due from the "cash economy". Your Committees are in agreement that some of the provisions in this measure would hamper the work of the Department's Special Enforcement Section, and have amended this measure accordingly.

However, your Committees are also concerned that the Department of Taxation does not have sufficient statistical information to determine how effective their current efforts have been to meet the expectations of Act 134, Session Laws of Hawaii 2009, the "Cash Economy Enforcement Act of 2009". As such, your Committees encourage the Department to provide the public with more comprehensive information regarding the success of the Act, particularly the realization of additional general excise tax revenue for the State.

Your Committees have amended this measure by:

- (1) Deleting section 1, which would have established conditions for inspections of required records and receipts of cash business transactions;
- (2) Deleting "knowingly" from the provisions related to failure to record receipts and records of business transactions; and
- (3) Limiting fines for violations if a person is otherwise in compliance with tax laws to a level commensurate with the violation, as determined by the Department of Taxation in accordance with rules adopted under chapter 91, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 828, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 828, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 1 (Ihara).

**SCRep. 953 (Joint) Economic Development and Technology and Judiciary and Labor on H.B. No. 301**

The purpose and intent of this measure is to require that all fees collected for electronic document certification, electronic copies of documents, and for providing bulk access to electronic court records and compilations of data shall be deposited into the Judiciary Computer System Special Fund.

Your Committees received testimony in support of this measure from the Judiciary.

Your Committees find that the Judiciary Computer System Special Fund was established in 1996, to provide a source of revenue to enable the Judiciary to upgrade its computer system and increase computer-based digital and electronic document filing related to traffic enforcement and civil, criminal, and appellate case processing and management. The Judiciary has testified that the Special Fund has been used for a number of major technology initiatives including the implementation of the Judiciary Information Management System (JIMS), an automated integrated case management system that will improve court operations and how courts conduct business and interface with the public. To date, JIMS has been implemented for the Traffic and Appellate courts and the statewide Jury system.

Your Committees are supportive of the Judiciary's efforts to date, but your Committees are also concerned that these technology initiatives do not appear to be taking place in a coordinated and comprehensive manner. As a result, the income generated to fund the technology upgrades has not reached the levels anticipated when the Special Fund was established.

Your Committees urge the Judiciary to review their actions to date, the results, and any unanticipated consequences that may have affected the revenue intended for the Judiciary Computer System Special Fund.

Your Committees have amended this measure accordingly by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 301, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 301, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 954      Judiciary and Labor on H.B. No. 1009**

The purpose and intent of this measure is to allow the State to retain fingerprints of employment and licensing applicants for whom criminal history record checks are authorized statutorily so the State may implement a statewide "Rap Back" program using all information and records, including fingerprints, to provide relevant licensing agencies and employers an updated criminal record if a fingerprinted individual is subsequently arrested.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Human Services, and Hawaii Health Systems Corporation.

Your Committee finds that allowing the State to retain fingerprints of employment and licensing applicants for whom criminal history record checks are statutorily authorized will increase the State's ability to take advantage of the information and capabilities that other states and the Federal Bureau of Investigation are using and will help Hawaii develop its own program and be proactive in decision-making for our vulnerable populations, including children, the elderly, and the disabled. Your Committee further finds that the public will be better protected as employers and licensing agencies will get up-to-date criminal history information. In addition, employees and licensees may not need to be fingerprinted again as part of a re-application or renewal process because up-to-date information will be forwarded automatically to their employers or licensing agencies as part of the "Rap Back" program.

Your Committee has amended this measure by:

- (1) Including language specifying that information and records relating to the fingerprints are to be retained in addition to the fingerprints;
- (2) Changing the effective date to July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1009, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1009, 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. 955      Judiciary and Labor on H.B. No. 1513**

The purpose and intent of this measure is to continue the success of the Weed and Seed Program in reducing violent crime and drug use on Oahu by:

- (1) Establishing a permanent Weed and Seed Program within the Department of Labor and Industrial Relations (DLIR); and
- (2) Appropriating unspecified funds to maintain the Program in areas currently designated for the Weed and Seed strategy and expand the Program to other areas of the State.

Your Committee received testimony in support of this measure from the Principal of Farrington High School; Principal of Linapuni Elementary School; Honolulu Police Department; Director of Weed and Seed Honolulu; Kalihi Baptist Church; Kalihi Ahupua'a Ulu Pono Ahahui (KAUPA); Boys and Girls Club of Hawaii; The Gentry Companies; Haseko Development, Inc.; Pacific Gateway Center; Broadcast House of the Pacific, Inc.; Meadow Gold Dairies; Hawaii's Most Wanted Magazine; and five individuals.

Your Committee finds that the State has benefitted greatly from Weed and Seed Programs based on the Weed and Seed strategy at sites on Oahu that encompass Ala Moana, Chinatown, Downtown Honolulu, Kalihi, Waipahu, and Ewa Beach. Since the implementation of the strategy, crime in those areas has decreased significantly. You Committee further finds that the strategy's success warrants the continued operation of the Weed and Seed Program in these communities, and envisions expanding it to other communities in the future. Your Committee notes that the appropriation amount for the permanent Weed and Seed Program remains to be determined by your Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2011; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1513, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1513, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 956      Judiciary and Labor on H.B. No. 1138**

The purpose and intent of this measure is to allow an attorney's lien to attach to an arbitration proceeding.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The proposed S.D. 1 establishes by statute a debt obligation on the part of the attorney or the attorney's firm for the billing of a certified court reporter.

Your Committee received testimony in support of the proposed S.D. 1 from the Carnazzo Court Reporting Company, Ltd.

Your Committee finds that the billings of court reporters for transcripts of depositions, statements, arbitrations, and hearings often take up to six months to be paid. When the court reporter follows up with the attorney on payment, the attorney commonly tells the reporter to seek payment from the attorney's client. The reporter is not usually told of this in advance of the recorded proceeding; otherwise, the reporter may have required payment to be made up front. The lapse of several months is usually too late to be of any help in collecting the bill.

Your Committee has amended this measure by adopting the proposed S.D. 1 and 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1138, 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. 957      (Majority) Judiciary and Labor on H.B. No. 1076**

The purpose and intent of this measure is to allocate the 2009 special administrative transfer for payment of Unemployment Insurance Program administrative expenses.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that the Unemployment Division of the Department of Labor and Industrial Relations is in need of additional funds to:

- (1) Purchase a new internet application;
- (2) Improve the interactive voice response system;
- (3) Improve the capability of the benefit system;
- (4) Enhance the Unemployment Division's website to respond to claimants' need for information; and
- (5) Perform required system security assessments.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1076, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1076, H.D. 1, S.D. 1, and be 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. 958      Judiciary and Labor on H.B. No. 300**

The purpose and intent of this measure is to appropriate funds for the Judiciary for the fiscal biennium beginning July 1, 2011, and ending on June 30, 2013.

Your Committee received testimony in support of this measure from the Judiciary, Hawaii State Bar Association, Family Law Section of the Hawaii State Bar Association, The Mediation Center of the Pacific, Inc., and one individual.

According to "Justice in Jeopardy: The Impact of Budget Cuts and Furloughs on the Judiciary, State of Hawai'i" (Report), a December 2010 report issued by the Judiciary, budgetary constraints on the Judiciary have been severe during the last few years. In the last two years, the Judiciary's General Fund appropriation has been reduced by \$19,700,000 (13.1 percent of its overall budget), while the demand for Judiciary services has increased due to the impact of the difficult economy on Hawaii residents. Furloughs alone have eliminated over 600,000 available staff hours of work.

The impact of furloughs on the Judiciary and the public in general has been acute. These reductions have had substantial negative effects throughout the judicial system, by reducing, delaying, and in some cases eliminating important services. According to the Report, families and the most vulnerable citizens have been significantly impacted. The time it takes to process an uncontested divorce has doubled, and the wait time for children to participate in the Judiciary's Kids First program in Kapolei, which seeks to alleviate the impacts of divorce by having children participate in a group counseling session, has more than doubled. Budgetary reductions have also had negative effects in criminal cases. For example, twenty-four adult probation positions were eliminated in the First Circuit,

including positions in high risk areas such as the sex offender unit and the domestic violence unit. Individual probation officers now supervise as many as one hundred eighty defendants, well above the nationally recommended ratio.

Your Committee believes that restoring furlough days for the Judiciary is critical to the public's right to meaningful access to justice. Although a turbulent economy and budget constraints dictate that rigorous cutbacks be made to state services, your Committee is mindful that the Judiciary serves a fundamental role in our constitutional system. Quite simply, the courts need to be open and available to those seeking legal help and a forum to address grievances. Accordingly, your Committee has found the funds to restore the \$1,300,000 cut from the Judiciary budget that would have resulted in furloughs during the 2011-2013 fiscal biennium, through economies within the Judiciary budget and other budgets under the purview of your Committee. Austerity may be unavoidable in other areas, but it is unacceptable when it threatens the ability of our courts to fulfill their constitutional mission of providing access to justice and protecting constitutional rights and liberties.

Your Committee is concerned that, at some point in the future, furloughs may again be on the table for the Executive Branch and that the Judiciary may elect to follow suit. Your Committee notes that when the Executive Branch instituted furloughs in the Fall of 2009, the Judiciary instituted a similar furlough program shortly afterwards. However, this was a voluntary action of the Judiciary since the Executive Branch does not have the authority to reduce or withhold funding for the Judicial Branch. Having invested significant effort in finding the funds to restore the Judiciary furlough days, your Committee would be disappointed if the Judiciary needlessly elected to reinstitute a furlough program during the 2011-2013 fiscal biennium to conform to a similar program instituted by the Executive Branch for its employees. Accordingly, your Committee has added a proviso applicable to the Judiciary's program funds to effectively prohibit a furlough program within the Judiciary.

Your Committee also notes that the Judiciary discussed the issues surrounding the Kona Judiciary Complex in its testimony. Specifically, the issues discussed related to the House Finance Committee deleting the appropriation for land acquisition costs for the new Complex, noting that three of the six sites under consideration were state-owned and assumed that there would be no cost to acquire one of these three sites. As pointed out in the Judiciary's testimony, however, two of these sites are owned by the Department of Hawaiian Home Lands, while the other is owned by the Department of Land and Natural Resources (DLNR); hence, only the DLNR site may be acquired at little or no cost to the Judiciary. After reviewing the location of the proposed DLNR site, your Committee believes that this site may represent a cost-effective alternative to the other sites under the Judiciary's consideration. Therefore, your Committee has not reinserted an appropriation for land acquisition for the Kona Judiciary Complex. Your Committee has, however, shifted the appropriation for the design of the Complex to fiscal year 2012-2013, as recommended by the Judiciary.

Your Committee has amended this measure by:

- (1) Restoring funding to eliminate furlough days in the Judiciary entirely by appropriating an additional \$1,307,306 each for fiscal years 2011-2012 and 2012-2013 for Judiciary program appropriations;
- (2) Inserting a proviso regarding the program appropriations stating that no funds shall be expended if a work furlough program that is intended to achieve labor savings is implemented and that any unexpended funds shall lapse;
- (3) Changing the appropriation for the design of the Kona Judiciary Complex from fiscal year 2011-2012 to fiscal year 2012-2013; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 300, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 300, 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. 959      Judiciary and Labor on H.B. No. 838**

The purpose and intent of this measure is to make an emergency appropriation to:

- (1) Fund five full-time temporary positions in the Office of Elections to provide support to the Reapportionment Commission; and
- (2) Provide funds for the functions of the Reapportionment Commission, Office of Elections, and the Elections Commission in regards to reapportionment, to allow the Reapportionment Commission to complete its reapportionment plan.

Your Committee received testimony in support of this measure from the Office of Elections.

Your Committee finds that reapportionment occurs every ten years after the preceding year's national census. The next reapportionment will take place during parts of fiscal years 2011 and 2012. Your Committee finds that additional funds are needed to allow the Reapportionment Commission to complete the scope of its work.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 838, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 960      Judiciary and Labor on H.B. No. 1035**

The purpose and intent of this measure is to place a moratorium on the enhancement of benefits until the Employees' Retirement System's funded ratio is one hundred percent in order to assist the System in improving and protecting its funded status.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and the Board of Trustees of the Employees' Retirement System. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association.

Your Committee finds that the employers covered by the Employees' Retirement System are already facing significant increases in their contribution rates. Any benefit enhancements granted at this time would require even larger contribution rate increases, causing additional hardship to the System's covered employers.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1035, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 961 Commerce and Consumer Protection on H.B. No. 879**

The purpose and intent of this measure is to implement the recommendations of the Mortgage Foreclosure Task Force relating to service of notice, conversion from judicial to nonjudicial foreclosure, bar against deficiency judgments, notice of pendency of action, and extinguishment of a mortgagor's interest.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Legal Aid Society of Hawai'i, the Collection Law Section of the Hawaii State Bar Association, the Mortgage Bankers Association of Hawaii, Hawaii Credit Union League, Hawaii Council of Associations of Apartment Owners, and Hawaii Financial Services Association. Your Committee received testimony in support of the intent of this measure from the Hawai'i Association of REALTORS. Your Committee received comments on this measure from the Judiciary, Hawaii Chapter of the Community Associations Institute, Hawaii Bankers Association, and three private individuals.

Your Committee finds that this measure as received by your Committee, is meritorious, although duplicative of another measure that your Committee has recommended for passage of Second Reading.

Your Committee has amended this measure by deleting its contents and replacing them with new language that:

- (1) Authorizes a planned community association or a condominium association to pursue nonjudicial foreclosure for liens for outstanding association assessments;
- (2) Allows a planned community association or a condominium association to acquire a foreclosed unit through credit bidding at public auction;
- (3) Specifies the allocation of excess rental income from a foreclosed unit;
- (4) Authorizes a planned community association or a condominium association and a homeowner to pursue alternative dispute resolution for resolution of disputes involving liens subject to foreclosure;
- (5) Specifies notice requirements for foreclosure of a lien for unpaid assessments;
- (6) Prohibits foreclosure of a junior lien during the pendency of foreclosure on a mortgage; and
- (7) Inserts an effective date of July 1, 2011.

Your Committee notes that this measure as amended contains the provisions of S.B. No. 1454, S.D. 1, which your Committee previously heard and recommended for passage of Second Reading, plus additional consumer protections that allow a homeowner who is in arrears on payment of association fees to cure the default through a reasonable payment plan.

Your Committee finds that the process for foreclosure of liens for unpaid assessments by condominium and planned community associations is an important tool that associations use to collect amounts that would otherwise be borne by homeowners in the association. However, the process as it currently exists contains the potential for abuse. Your Committee finds that this measure increases transparency and fairness in the lien foreclosure process by requiring an association to accept a reasonable payment plan for delinquent fees in order to allow the homeowner a meaningful opportunity to cure a default prior to a foreclosure action.

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. 879, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 879, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Solomon).

**SCRep. 962 (Majority) Commerce and Consumer Protection on H.B. No. 1203**

The purpose and intent of this measure is to make the physician workforce assessment fee permanent and to specify the allowable uses of excess funds from the workforce assessment fee.

Your Committee received testimony in support of this measure from the University of Hawai'i System, Hawaii State Rural Health Association, and one private individual. Your Committee received testimony in support of the intent of this measure from the Hawaii Medical Association. Your Committee received testimony in opposition to this measure from the Hawaii Medical Board.

Your Committee finds that the physician workforce assessment is an essential tool for policy makers to gather reliable information and useful research to transform the medical workforce and medical system in response to the unmet medical needs of Hawai'i's

population. Your Committee further finds that the physician workforce assessment and its related activities are paid for solely by the physician workforce assessment fee and must remain within the budget provided by that fee.

Your Committee has amended this measure by:

- (1) Adding a provision to remove the expenditure cap from the John A. Burns School of Medicine Special Fund;
- (2) Specifying that the assessment and planning of the physician workforce in Hawaii shall be conducted by the John A. Burns School of Medicine in collaboration with residency programs in this State and the Hawaii Medical Board;
- (3) Specifying the issues to be addressed in the physician workforce planning and assessment funded by the physician workforce assessment fee;
- (4) Directing the John A. Burns School of Medicine to submit annual reports to the Legislature on its physician workforce assessment and planning activities including findings, recommendations, and expenditures; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the language included in this measure as amended is the result of collaboration by various stakeholders.

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. 1203, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1203, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Green, Nishihara, Solomon). Noes, 1 (Slom). Excused, none.

**SCRep. 963 (Joint) Human Services and Transportation and International Affairs on H.B. No. 916**

The purpose and intent of this measure is to assist with and improve the administration of the Statewide Parking Program for Persons with Disabilities by:

- (1) Creating an Accessible Parking Special Account within the Disability and Communication Access Board Special Fund;
- (2) Increasing the state vehicle registration fee by \$1 and requiring the additional \$1 to be deposited into the Accessible Parking Special Account; and
- (3) Requiring all costs associated with the Parking Program for persons with disabilities to be appropriated from the Accessible Parking Special Account beginning July 1, 2012.

Your Committees received testimony in support of this measure from the Department of Transportation; Disability and Communication Access Board; City and County of Honolulu, Department of Customer Services; and four individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the Statewide Parking Program for Persons with Disabilities is a federally required program. Your Committees further find that, with the exception of a small percentage of temporary or replacement placards, the program is currently funded entirely through the General Fund.

This measure proposes to create a new revenue stream through the imposition of an additional \$1 to the state vehicle registration fee. Your Committees additionally find that this increase will ensure the continued existence of the Statewide Parking Program for Persons with Disabilities, and will permit General Fund appropriations to be expended elsewhere.

According to testimony of the Disability and Communication Access Board, this measure is estimated to provide approximately \$1,100,000 annually for the Accessible Parking Special Account. Your Committees note that the Disability and Communication Access Board is expected to provide your Committee on Ways and Means with additional information regarding the approximate annual budget of the Parking Program.

Your Committees also find that the state highway system is in need of repairs. Your Committees note that if funds in the Accessible Parking Special Account are in excess of the Disability and Communication Access Board's operating expenses at the end of each fiscal year, it would be appropriate to transfer the excess funds into the State Highway Fund, to better address state infrastructure needs.

Accordingly, your Committees have amended this measure by:

- (1) Requiring that the additional \$1 added to the state vehicle registration fee be deposited into the Accessible Parking Special Account; provided that at the end of each fiscal year, any funds collected in excess of the operating expenses of the Disability and Communication Access Board shall be deposited into the State Highway Fund; and
- (2) 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 Human Services and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 916, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 916, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Dela Cruz, Slom).

**SCRep. 964 (Joint/Majority) Education and Health on H.B. No. 1330**

The purpose and intent of this measure is to:

- (1) Extend the appropriation of a portion of Hawaii Tobacco Settlement Special Fund monies for the annual operating expenses of the University of Hawai'i at Manoa John A. Burns School of Medicine (JABSOM) until June 30, 2015; and
- (2) Require JABSOM to report to the Legislature annually until the convening of the Regular Session of 2015.

Your Committees received testimony in support of this measure from JABSOM, University of Hawaii Cancer Center, Hawai'i Pacific Health, Kalihi-Palama Health Center, Hawaii Medical Association, The Queen's Medical Center, Hawaii Medical Service Association, the Healthcare Association of Hawaii, The Chamber of Commerce of Hawaii, and two JABSOM medical students. Your Committees received testimony in opposition to this measure from the Coalition for a Tobacco-Free Hawai'i. Your Committees received comments on this measure from the American Heart Association and American Cancer Society.

Your Committees find that JABSOM's authorization to use a portion of Hawaii Tobacco Settlement Special Fund monies for annual operating expenses to support the school's operations and train and graduate new physicians is set to expire on June 30, 2011. This measure will allow continued use of Tobacco Settlement Special Fund monies by JABSOM for annual operating expenses.

Your Committees recognize the concerns raised by certain testifiers about JABSOM's continued use of Hawaii Tobacco Settlement Special Fund monies specifically for operating costs. Your Committees request that JABSOM develop five- and ten-year plans to work towards greater self-sufficiency and implement revenue generating practices that will allow JABSOM to become less reliant on Tobacco Settlement monies for its annual operating costs.

Your Committees also recognize the role that the University of Hawai'i at Manoa has to play in supporting the continued operation and growth of JABSOM and request a response on how the University will support JABSOM should Tobacco Settlement monies become unavailable.

Your Committees have amended this measure by deleting the contents of this measure and replacing them with the contents of S.B. No. 239, S.D. 1, which:

- (1) Reduces the amount of JABSOM's portion of Hawaii Tobacco Settlement Special Fund monies by one percent each fiscal year starting with fiscal year 2012-2013 until the fiscal year ending June 30, 2015, upon which date use of Tobacco Settlement monies for JABSOM's operating expenses shall no longer be authorized; and
- (2) Increases the amount of Tobacco Settlement monies that are credited to the General Fund by one percent each fiscal year starting with fiscal year 2012-2013 until the fiscal year ending June 30, 2015.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1330, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1330, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.

Ayes, 6; Ayes with Reservations (Shimabukuro, Taniguchi). Noes, 2 (Chun Oakland, Slom). Excused, 2 (Baker, Wakai).

**SCRep. 965 Education on H.B. No. 1540**

The purpose and intent of this measure is to amend section 4 of Act 125, Session Laws of Hawaii 2008, to make permanent the provisions in section 302A-804, Hawaii Revised Statutes, that:

- (1) Reduce the maximum employment period for teachers hired on an emergency basis by the Department of Education from four years to three years; and
- (2) Require those unlicensed teachers hired on an emergency basis prior to July 1, 2008, to attain licensure within four years from the date of employment.

Your Committee received testimony in support of this measure from the Department of Education and Hawaii State Teachers Association. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that making permanent the provisions of Act 125, Session Laws of Hawaii 2008, provides for better alignment of the Hawaii teacher licensing requirements with the criteria for highly qualified teachers as prescribed by the federal No Child Left Behind Act of 2001, Public Law 107-110, as well as Hawaii's Race to the Top efforts.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1540, and recommends that 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 (Slom).

**SCRep. 966 Education on H.B. No. 1313**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds in an unspecified amount for Windward Nazarene Academy to finance the planning, construction, improvement, equipping, and renovation of its educational facilities.

Your Committee received testimony in support of this measure from the Hawaii Association of Independent Schools; Windward Nazarene Academy; King Windward Nissan; Bay View Mini-Putt, LLC; Together Everyone Achieves Miracles; and two individuals. Your Committee received testimony in opposition to this measure from one individual.



Your Committee finds that the issuance of special purpose revenue bonds for Windward Nazarene Academy is in the public interest.

Your Committee has amended this measure by:

- (1) Authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$15,000,000;
- (2) Changing the effective date from July 1, 2030, to July 1, 2011; 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1313, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1313, 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 (Slom).

**SCRep. 967 Education on H.B. No. 945**

The purpose and intent of this measure is to require:

- (1) Multi-track public schools to meet at least one hundred seventy-one days or ninety percent of the minimum number of days required of other non-charter public schools for each respective year, whichever number is greater, and at least ninety percent of the minimum number of student instructional hours required of other non-charter public schools for each respective school year; and
- (2) The Department of Education to submit to the Legislature a plan to implement a school year for multi-track public schools beginning with the 2015-2016 school year of no less than ninety percent of the minimum number of instructional days and hours required of other public schools.

Your Committee received testimony in support of this measure from the Department of Education; Department of Budget and Finance; Hawaii State Teachers Association; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received testimony in opposition to this measure from four individuals.

Your Committee finds that the Department of Education is facing significant fiscal limitations. The Department is anticipating a potential reduction in its budget of \$55,000,000 per year and is anticipating additional reductions as a result of the earthquake and tsunami in Japan. The additional work time required by Act 167, Session Laws of Hawaii 2010, will require additional funding for either compensation for more time spent in instruction or for additional teachers to provide additional instruction during a lengthened school day and year. The Department of Education estimates that implementation of Act 167 will cost approximately \$55,000,000. The Department of Budget and Finance confirms that the State currently does not have the fiscal capacity to implement Act 167.

After holding discussions with educational stakeholders, it is the intent of your Committee to provide the Department of Education additional time to address the financial and logistical requirements of implementing Act 167; provided that the Department report to the Legislature on its progress and efforts to meet the requirements of Act 167.

Your Committee has amended this measure by:

- (1) Removing the alternative student instructional time requirements for multi-track public schools in sections 1 and 2 of this measure;
- (2) Exempting multi-track public schools from Act 167;
- (3) Delaying the required increases and plan for increases in instructional time pursuant to section 302A-251, Hawaii Revised Statutes, and section 4 of Act 167;
- (4) Requiring the Department of Education to re-examine what constitutes student instructional hours, determine current levels of instructional hours at each school, and assess the ability of all schools to comply with the requirements of 302A-251, Hawaii Revised Statutes, and report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012; and
- (5) Requiring the Department of Education to submit to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2013, 2014, 2015, 2016, 2017, and 2018, a report on its progress and efforts to meet the requirements of section 302A-251, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 945, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 945, 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 (Chun Oakland). Noes, none. Excused, 1 (Slom).

**SCRep. 968 Education on H.B. No. 773**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds in an unspecified amount for Saint Louis School to finance the planning, construction, improvement, and equipping of its educational facilities.

Your Committee received testimony in support of this measure from the Hawaii Association of Independent Schools, President of Saint Louis School, Board of Trustees of Saint Louis School, Chaminade University of Honolulu, and one individual. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the issuance of special purpose revenue bonds for Saint Louis School is in the public interest and for the public health, safety, and general welfare.

Your Committee has amended this measure by:

- (1) Authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$40 million;
- (2) Changing the effective date from July 1, 2030, to July 1, 2011; and
- (3) Inserting standard language on the issuance of the bonds in one or more series as a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 773, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 773, 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 (Slom).

**SCRep. 969 Public Safety, Government Operations, and Military Affairs on H.B. No. 277**

The purpose and intent of this measure is to:

- (1) Establish the Military Affairs Liaison Trust Fund as a separate fund of a Hawaii nonprofit corporation to be selected by the Department of Defense, with the concurrence of the Governor, to support the nonprofit corporation in its duties as the state liaison in matters relating to the military;
- (2) Establish the Military Affairs Liaison Trust Fund Advisory Board, which would make final recommendations to the nonprofit corporation for the expenditure of funds for making grants to private nonprofit organizations to foster beneficial relations between the military and the State, among other activities;
- (3) Establish an Advisory Committee of the Military Affairs Liaison Trust Fund with certain functions relating to the military in Hawaii;
- (4) Establish the purposes of the grants made by the nonprofit corporation; and
- (5) Make an appropriation to the nonprofit corporation for purposes of the Military Affairs Liaison Trust Fund.

Your Committee received testimony in support of this measure from the State Department of Defense and The Chamber of Commerce of Hawaii. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the military is one of the largest contributors to Hawaii's economy, and it would be advantageous to expand, foster, and continue the State's excellent relationships with the United States military. The nonprofit entity would be the catalyst between the military, State, and counties for a variety of actions such as being the advocate between the military and small businesses, supporting the military in realistic training while ensuring compliance with state and federal environmental laws, and promoting activities and programs to enhance the quality of life for military families.

The intent of your Committee is to send a strong signal to the United States Department of Defense and the senior military leadership that Hawaii truly supports their commitment and continued presence in this State in support of our national military strategy for the Asia and Pacific region. More importantly, the establishment of this trust will provide a vehicle for the Department of Defense to receive and manage not only appropriated funds, but to also receive donations and contributions from private organizations to ensure a strong partnership with one of the major contributors to the State's economy, the United States military.

Your Committee has amended this measure by:

- (1) Requiring the Governor to select a union representative as one of the three members of the Military Affairs Liaison Trust Fund Advisory Board;
- (2) Requiring the Governor to unilaterally select the nonprofit corporation to serve as the state liaison in military matters; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 277, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 277, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Kidani, Ryan). Noes, none. Excused, 1 (Slom).

**SCRep. 970 (Joint) Public Safety, Government Operations, and Military Affairs and Judiciary and Labor on H.B. No. 1036**

The purpose and intent of this measure is to protect the status of the Employees' Retirement System (ERS) as a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code by amending Hawaii's ERS law to include provisions required by federal law.

Your Committees received testimony in support of this measure from The Oahu Veterans Council. Your Committees received comments on this measure from the Board of Trustees of the Employees' Retirement System.

Your Committees find that this measure is necessary to conform state law to federal requirements. According to testimony of the Board of Trustees of the ERS, this measure is needed for the ERS to maintain its tax-exempt status. The loss of its tax-exempt status would be extremely detrimental to the ERS and its members - the pre-tax benefit on members' contributions would be eliminated and ERS members would be required to pay federal income taxes annually on the value or increase in value of their accounts without receiving distributions from the ERS. These taxes could amount to thousands of dollars from members, who would have to find monies outside of their ERS pension accounts to pay for those taxes.

Your Committees have amended this measure by:

- (1) Adding civil union partner references where appropriate; and
- (2) 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 Public Safety, Government Operations, and Military Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1036, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1036, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, none.

**SCRep. 971 (Joint) Public Safety, Government Operations, and Military Affairs and Economic Development and Technology on H.B. No. 376**

The purpose and intent of this measure is to allow the counties to contract with licensed, qualified architects and engineers to serve as third-party reviewers to certify compliance with various construction codes and land-use ordinances.

Your Committees received testimony in support of this measure from the American Council of Engineering Companies of Hawaii, The Chamber of Commerce of Hawaii, The Pacific Resource Partnership, and Land Use Research Foundation of Hawaii. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Hawaii Government Employees Association, Historic Hawai'i Foundation, Hawaii's Thousand Friends, Sierra Club Hawai'i Chapter, and nine individuals. Your Committees received comments on this measure from the Board of Professional Engineers, Architects, Surveyors and Landscape Architects.

Your Committees find that the processing of permit applications relating to construction is hindered and delayed by a backlog of applications awaiting approvals. This measure is intended to spur processing of projects by increasing efficiency and timeliness of applications processing through the use of third-party reviews of permits, licenses, and approvals. Your Committees find that this expedited review process will result in the acceleration of generating construction jobs and other related services.

This measure is not intended to allow a third party the ability to approve architects, engineers, surveyors, and landscape architects for licensure to practice in Hawaii.

Your Committees have amended this measure by:

- (1) Deleting sections 3 and 4, relating to the specific time periods within which the Department of Land and Natural Resources would have had to review and a comment on permit, license, and other types of applications;
- (2) Requiring reviewers to meet the education and experience standards and qualifications for preservation professionals, as specified by standards of the United States Secretary of the Interior;
- (3) Prohibiting an owner from retaining a third-party reviewer who works for or is employed by the same person or entity that designed the property of the owner; and
- (4) 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 Public Safety, Government Operations, and Military Affairs 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. 376, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 376, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 972 (Joint) Economic Development and Technology and Water, Land, and Housing on H.B. No. 324**

The purpose and intent of this measure is to establish the South Kona Wilderness Area to be administered by the Department of Land and Natural Resources.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources. Your Committees received testimony in opposition to this measure from the Department of the Attorney General and The Resort Group. Your Committees received comments on this measure from The Nature Conservancy and five individuals.

Your Committee on Water, Land, and Housing previously heard and amended a comparable measure, S.B. No. 1154, and your Committees have amended this measure by incorporating the provisions of S.B. No. 1154, S.D. 2, as part I. Your Committees have further amended this measure by incorporating the language from S.B. No. 176, as part II. As amended, this measure:

- (1) Establishes the South Kona Wilderness Area;

- (2) Designates the lands to be included in the South Kona Wilderness Area, and clarifies the descriptions of Kaulanamauna and Manuka;
- (3) Prohibits construction of new homes or other structures within one thousand feet of the shoreline within the South Kona Wilderness Area;
- (4) Authorizes the Department of Land and Natural Resources to acquire private lands in the South Kona Wilderness Area by donation or by a dollar-for-dollar exchange;
- (5) Designates the lands within the South Kona Wilderness Area as lands within the conservation district;
- (6) Requires the Department of Land and Natural Resources, in cooperation with appropriate county, state, and federal agencies; the Aha Kiole Advisory Committee, established pursuant to Act 212, Session Laws of Hawaii 2007; and Paa Pono Milolii, a Hawaii nonprofit corporation to develop a comprehensive management plan;
- (7) Authorizes the Legislature to designate a contiguous geographical area in the State as a historical district, and establishes the West Oahu Historical District; and
- (8) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees have heard the concerns raised by the Attorney General, as well as the concerns of The Resort Group relative to the Kapu'a parcels. While your Committees agree that these private property issues need to be addressed, the recommendations to remove a significant portion of the lands from the proposed South Kona Wilderness Area need further clarification. Your Committees ask that the parties continue the dialogue in order to determine how best to address these concerns.

To this end, your Committees note that the effective date of this measure is July 1, 2030, to allow for further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 324, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 324, 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, 2 (Tokuda, Slom).

**SCRep. 973 (Majority) Economic Development and Technology on H.B. No. 983**

The purpose and intent of this measure is to authorize the Hawaii Strategic Development Corporation to transfer tax credits issued by the State, subject to certain conditions.

Your Committee received testimony in support of this measure from the Hawaii Strategic Development Corporation; High Technology Development Corporation; The Chamber of Commerce of Hawaii; Hawaii Dual Use Network; Cardax Pharmaceuticals, Inc.; Oceanit; and Puko'a Scientific. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee fully appreciates the need for new capital funding sources to build upon the previously adopted Act 221 financing mechanisms. However, given the State's current economic condition, your Committee believes that the best route would be to pursue a simpler approach by adequately funding the State Private Investment Fund, which contains adequate safeguards for the use of the state tax credits. As such, the allocation of \$100,000,000 in tax credits, with an annual authorization in the range of \$20,000,000 to \$25,000,000, would be a prudent means of leveraging state resources to expand Hawaii's technology economy.

Your Committee has amended this measure by deleting its contents and replacing them with language to amend the Hawaii Strategic Development Corporation's current authority to transfer tax credits issued by the State pursuant to chapter 211G, Hawaii Revised Statutes, the State Private Investment Fund. As amended, this measure:

- (1) Amends the definitions of "tax credits" and "taxpayer" to include insurance premium taxes, and makes related amendments in section 211G-12, Hawaii Revised Statutes;
- (2) Changes the current total amount and aggregate total of tax credits to be issued to unspecified amounts; and
- (3) Changes the exercisable date that the tax credits may be transferred to the Hawaii Strategic Development Corporation from July 1, 2005, to July 1, 2013, and replaces July 1, 2030, as the last date of a transfer with an unspecified date.

Your Committee also notes that this measure has an effective date of July 1, 2112, for the purpose of continuing further discussion on this measure.

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. 983, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 983, 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 (Solomon). Excused, 1 (Slom).

**SCRep. 974 Economic Development and Technology on H.B. No. 986**

The purpose and intent of this measure is to:

- (1) Require the Department of Business, Economic Development, and Tourism to establish and collect a surcharge for each film permit application it processes, with all surcharge revenues to be deposited into the Hawaii Television and Film Development Special Fund;
- (2) Include revenues received from the rental of the Hawaii film studio, film permit violation fees, and fees for processing tax incentive applications pursuant to section 235-17, Hawaii Revised Statutes, to be deposited into the Hawaii Television and Film Development Special Fund; and
- (3) Require that revenues in the Special Fund are to be used to fund the Department of Business, Economic Development, and Tourism Creative Industries Division.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Department of Business, Economic Development, and Tourism's Creative Industries Division has suffered drastic reductions in this past fiscal year, losing fifty percent of its funding and staff. This measure would assist the Division and its Hawaii Film Office by generating an additional revenue stream for operations, including needed repairs and maintenance of the Hawaii Film Studio. Your Committee further finds that the proposed additional sources of revenue for these programs would contribute to the accelerated growth and enhanced sustainability of Hawaii's creative industries.

Your Committee has amended this measure 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 Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 986, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Solomon). Noes, none. Excused, 1 (Slom).

**SCRep. 975 Economic Development and Technology on H.B. No. 526**

The purpose and intent of this measure is to:

- (1) Require the Department of Business, Economic Development, and Tourism to consult with the High Technology Development Corporation and the City and County of Honolulu to plan for the establishment of a high technology park on the island of Oahu, and work with the Department of Land and Natural Resources and the City and County of Honolulu to identify public or private lands that may be acquired for the park; and
- (2) Appropriate funds for infrastructure to build the park.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Strategic Development Corporation; The Chamber of Commerce of Hawaii; Puko'a Scientific; Webfish Pacific; and Williams Aerospace, Inc.. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committee finds that the establishment of a high technology park is critical for the continued development of Hawaii's technology industries, particularly as the move from fledgling companies to mature businesses with commercialization prospects. In addition, the Department of Business, Economic Development, and Tourism has identified technology centers as in alignment with the four major focuses of the Department: energy (Hawaii Clean Energy Initiative), the creative economy, technology and innovation (with a major focus on a Hawaii Broadband Initiative), and small business and entrepreneurship.

However, with the State's economic recovery hampered by Japan's natural disasters, development of the long-sought Oahu technology park may not be as immediate as planned. Therefore, your Committee finds that it makes sense to consider smaller-scale technology incubator facilities as complementary to the establishment of an Oahu technology park. To the extent that the Foreign Trade Zone is expanding its facilities on lands controlled by the Department of Business, Economic Development, and Tourism, and can provide the High Technology Development Corporation with additional new incubation facilities at lower costs, your Committee believes that the High Technology Development Corporation and the Foreign Trade Zone should be encouraged in their evaluation of the cost/benefits of joint facilities development.

This does not mean that your Committee agrees that the University of Hawaii should regain oversight and complete control of Manoa Innovation Center facilities on University of Hawaii lands in 2015, when the current lease between the High Technology Development Corporation and the University of Hawaii expires. Both the High Technology Development Corporation and University of Hawaii are key drivers in the development of a highly-skilled, creative workforce, and it will be critical to forge a stronger working relationship between them.

Your Committee has amended this measure by:

- (1) Requiring the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation to plan for the establishment of a high technology park or technology incubator facility on the island of Oahu;
- (2) Deleting all references to participation by the Department of Land and Natural Resources and the City and County of Honolulu; and
- (3) Deleting land acquisition from the uses of the General Fund appropriation.

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. 526, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 526, 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 (Slom).

**SCRep. 976 Economic Development and Technology on H.B. No. 1642**

The purpose and intent of this measure is to:

- (1) Extends the income tax credit for qualified research activities for five years;
- (2) Place an annual aggregate cap on the tax credit; and
- (3) Require the Department of Taxation to collect data on the income tax credit for qualified research activities, including the amount of tax credits claimed and the financial impact of the tax credit.

Your Committee received testimony in support of this measure from the High Technology Development Corporation; Hawaii Strategic Development Corporation; Hawaii Dual Use Network; Puko'a Scientific; Oceanit; Cardax Pharmaceuticals, Inc.; Referentia Systems Incorporated; Navatek; H2 Technologies, Inc.; and TeraSys Technologies. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee previously heard and amended S.B. No. 753, which contained comparable provisions, and has amended this measure by deleting its contents and replacing them with the language in S.B. No. 753, S.D. 2. As amended, this measure:

- (1) Requires a qualified high technology business that claims the tax credit for qualified research activities to file annual survey information with the Department of Taxation by June 30 of each year;
- (2) Requires the Department of Taxation to report to the Legislature by September 1 of each year on the information collected by the survey, and by December 1 of each year on the effectiveness of the tax credit for qualified research activities;
- (3) Extends the income tax credit for qualified research activities for five years; and
- (4) Makes 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 H.B. No. 1642, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1642, 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 (Slom).

**SCRep. 977 Economic Development and Technology on H.B. No. 235**

The purpose and intent of this measure is to:

- (1) Allow a limited liability company to be designated as an "ingenuity company" by the Director of Commerce and Consumer Affairs; and
- (2) Require an ingenuity company to use the right to exclude, conferred by a patent in which the company has an interest, to create job opportunities, uphold fair labor standards, and enhance environmental protections.

Your Committee received testimony in support of this measure from Ingenuity Underwriters, L3C; Enterprise Honolulu; Manufacturing Policy Project, and two individuals. Your Committee received testimony in opposition to this measure from the Business Registration Division of the Department of Commerce and Consumer Affairs and three individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the proposal in this measure is one that has been considered previously by the Legislature. While there have been concerns raised regarding some of the provisions, your Committee finds that the integrated approach would provide an opportunity for Hawaii to expand its economic base. Your Committee understands that the stakeholders with an interest in this concept have come to some agreement on an alternative means of achieving its purpose.

Your Committee has amended this measure accordingly by deleting its contents and replacing them with language to establish a new chapter in the Hawaii Revised Statutes, entitled Sustainable Business Limited Liability Companies. As amended, this measure establishes:

- (1) A purpose and findings, and definitions appropriate to the chapter;
- (2) A process for a domestic limited liability company to become a sustainable business limited liability company;
- (3) A process for a sustainable business limited liability company to terminate this status;
- (4) The requirement that a sustainable business limited liability company shall have among its purposes the creation of a public benefit;
- (5) Standards of conduct for directors of a sustainable business limited liability company;
- (6) The requirement that a board of directors shall include one director designated as a benefit director;

- (7) Standards of conduct for officers of a sustainable business limited liability company;
- (8) Rights of action for shareholders and directors;
- (9) The requirement for a comprehensive annual benefit report; and
- (10) A third-party standard for purposes of defining, reporting, and assessing the performance of a sustainable business limited liability company.

Your Committee understands that this concept will require further consideration and has inserted an effective date of July 1, 2112, to allow for 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. 235, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 235, 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 (Slom).

**SCRep. 978 Economic Development and Technology on H.B. No. 1183**

The purpose and intent of this measure is to:

- (1) Create a nexus standard for taxing out-of-state businesses on their business activities in Hawaii;
- (2) Amends the definition of engaging in business to include local affiliate agreements; and
- (3) Allow out-of-state and in-state businesses to file information regarding sales to residents of the State instead of collecting the general excise tax.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received testimony in opposition to this measure from the Direct Marketing Association; Synertech Media LLC; Performance Marketing Association; Internet Alliance; State Privacy and Security Coalition, Inc.; and Natalie J. Iwasa, CPA, Inc. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee previously heard and amended S.B. No. 1355, which establishes provisions to enable the State to participate in the national Streamlined Sales and Use Tax Agreement, and has amended this measure by deleting its contents and replacing them with the language in S.B. No. 1355, S.D. 1. As amended, this measure:

- (1) Adopts amendments to Hawaii tax laws to implement the Streamlined Sales and Use Tax Agreement, to take effect when the State becomes a party to the Streamlined Sales and Use Tax Agreement; and
- (2) Creates a committee to oversee the Department of Taxation's implementation and administration of, and compliance with the Streamlined Sales and Use Tax Agreement.

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. 1183, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1183, 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 (Slom).

**SCRep. 979 Judiciary and Labor on H.B. No. 1012**

The purpose and intent of this measure is to appropriate an unspecified amount to the Department of the Attorney General for operating expenses for state law enforcement agencies relating to the planning and operation of security services and activities for the 2011 Asia-Pacific Economic Cooperation Leaders Meeting in Honolulu (APEC Meeting).

Your Committee received testimony in support of this measure from the Department of the Attorney General and Department of Public Safety.

Your Committee finds that this measure is intended to provide funding for state law enforcement efforts to ensure the safety and security of the APEC Meeting. As an initial matter, your Committee understands from testimony submitted by the Department of the Attorney General that these costs may be wholly or partially reimbursed by the federal government.

The Department of the Attorney General submitted a request for an appropriation in the amount of \$2,146,725, allocated as follows:

- (1) Personnel costs: \$ 1,286,200

Based on eight hours of overtime for three hundred ten officers and support staff for nine days;

- (2) Equipment costs: \$ 660,173

For facial recognition software, four workstations, one livescan printer, four booking laptop computers, two fingerprint printers, and ten RapID handheld devices; and

- (3) Miscellaneous expenses: \$ 199,902

For meals, fuel, etc., including a contingency of \$100,000.

After a careful and thorough review of these items and consultation with the facial recognition software vendor, your Committee believes that this appropriation request can be reduced substantially. For example, the Department of the Attorney General requested an unnecessarily high amount for bottled water that amounts to over ten bottles of water per shift for each state law enforcement officer. Additionally, the request included line items for a contingency (\$100,000), fuel costs (calculated at \$5 per gallon), and meals for assigned officers (calculated at \$21 per shift).

Based on your Committee's review of the appropriation request, your Committee curtailed the amounts requested as follows:

- (1) Personnel costs: \$ 640,860

Based on four hours of overtime for three hundred ten officers and support staff for nine days;

- (2) Equipment costs: \$ 555,725

For facial recognition software, two workstations, one livescan printer, two booking laptop computers, one fingerprint printer, and five RapID handheld devices; and

- (3) Miscellaneous expenses: \$ 17,140

For one meal per officer per day at \$8, two bottles of water per day per officer, no fuel amount, and no contingency.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$1,213,725; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1012, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1012, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 980 Judiciary and Labor on H.B. No. 382**

The purpose and intent of this measure is to provide the Auditor with the tools necessary to conduct the Auditor's statutory and constitutional responsibilities. Specifically, this measure:

- (1) Provides explicit authority to the Auditor to inspect all accounts, books, records, files, papers, and documents and all financial affairs of the Department of Taxation;
- (2) Requires the Auditor to implement internal policies to protect the confidentiality of private personal information contained in tax returns; and
- (3) Provides identical penalty provisions applicable to employees of the Department of Taxation for disclosure of tax information to the Auditor or Auditor's agent.

Your Committee received testimony in support of this measure from the Auditor. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii

Your Committee finds that the Auditor has the constitutional and statutory authority to conduct post-audits of the transactions, accounts, programs, and performance of all departments, offices, and agencies of the State and its political subdivisions. However, questions have been raised by the Department of Taxation regarding the Auditor's authority and ability to review tax returns and other records on file with the Department of Taxation, which has hindered the ability of the Auditor's office to conduct its work.

Your Committee also finds that this measure is not in conflict with any federal provisions regarding confidentiality of tax records. Your Committee understands that the Department of Taxation would prefer a statutory requirement that any disclosures to the Auditor be made pursuant to a written agreement between the Department and the Auditor. Your Committee believes, however, that such a statutory requirement is unnecessary due to the fact that the Auditor's office has its own strict confidentiality protocols in place. Your Committee believes that the Auditor and the Department of Taxation will cooperate in ensuring that tax records and tax information are thoroughly protected from intentional and inadvertent disclosures.

Your Committee has amended this measure by:

- (1) Adding language specifying to which materials the Department of Taxation shall provide access to the Auditor upon request;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 382, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 382, 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. 981 (Majority) Judiciary and Labor on H.B. No. 169**

The purpose and intent of this measure is to:



- (1) Establish an optional total unemployment rate trigger for the extended benefit provisions if one hundred percent federal sharing is available under federal law, subject to certain conditions; and
- (2) Appropriate an unspecified amount for an automated extended benefit claims system.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations (DLIR); ILWU Local 142; and Hawaii State AFL-CIO.

Your Committee finds that currently, extended unemployment benefits are payable for thirteen additional weeks when the insured unemployment rate during a thirteen-week period is at least 120 percent of the average insured unemployed rate during a corresponding thirteen-week period ending in each of the two preceding calendar years and the insured unemployment rate is at least five percent. Under this measure, however, if the unemployment rate exceeds 6.5 percent, the State can access federal extended benefits to allow unemployed workers to receive benefits beyond the twenty-six weeks provided by the State.

While this measure represents an attempt to incorporate the necessary statutory authority to implement these federal extended benefit provisions, your Committee notes that the DLIR raised concerns in its testimony regarding the form of the measure. To address these concerns, the DLIR recommended an alternative draft, for which the DLIR received input from and approval of the United States Department of Labor.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with the language recommended by the DLIR that, among other things:
  - (A) Amends section 383-168, Hawaii Revised Statutes, to add a "state 'on' indicator" until the week ending four weeks prior to the last week of unemployment for which one hundred percent federal sharing is available under Section 2005(a) of Public Law No. 111-5, under certain conditions;
  - (B) Adds a "state 'off' indicator" for a week based on the rate of total unemployment only if for the period consisting of the most recent three months for which there is no "on" indicator under the conditions described above; and
  - (C) Revises the total extended benefit amount payable to an eligible individual;
- (2) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 169, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 169, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

#### **SCRep. 982      Judiciary and Labor on H.B. No. 575**

The purpose and intent of this measure is to extend the salary increase moratorium and cuts for legislators, justices, judges, and certain Executive Branch positions that were established by Act 85, Session Laws of Hawaii 2009.

Your Committee received comments on this measure from the Judiciary and the Department of Human Resources Development.

Your Committee finds that in 2009, amid a growing economic crisis, the Legislature elected to exercise its authority under article XVI, section 3.5 of the Hawaii State Constitution to reduce the salaries of salaried officers of the State by instituting a five percent salary cut and establishing a moratorium on the automatic salary increases recommended by the Commission on Salaries. By Act 85, Session Laws of Hawaii 2009, those salaried positions, which includes legislators, justices, judges, and certain Executive Branch positions, were frozen at the salary levels applicable as of June 30, 2009, with an additional five percent reduction. The moratorium and salary cuts under that Act are scheduled to sunset on June 30, 2011. At the time the Act was passed, the Legislature believed that the economy would rebound. Unfortunately, that does not appear to be the case.

Your Committee finds that this measure is intended to extend the moratorium and salary cuts, keeping the salaries of legislators, justices, judges, and certain Executive Branch positions, at the reduced 2009 level.

Your Committee notes that, pursuant to article XVI, section 3.5, of the Hawaii State Constitution, the Commission on Salaries is scheduled to meet and make recommendations in 2012 for salary increases that will be reviewed by the Legislature during the 2013 Regular Session. Any changes to the Judiciary and Executive salaries will be effective on July 1, 2013, and any changes to the legislator salaries will be effective on January 1, 2015.

Your Committee has amended this measure by:

- (1) Deleting the provision regarding Judiciary and Executive Branch salaries that would have increased these salaries on July 1, 2012, because this increase would occur during the period in which the moratorium and salary cuts will be in effect, as recommended by the Department of Human Resources Development;
- (2) Amending the provision regarding legislator salaries that would have increased these salaries on January 1, 2012, to address a similar conflict as described in paragraph (1) and to provide for the time period before the Commission on Salaries' recommendations commence in 2015; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 575, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 575, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 983      Judiciary and Labor on H.B. No. 1041**

The purpose and intent of this measure is to eliminate Medicare Part B reimbursements for employee-beneficiaries or the spouses of employee-beneficiaries who are hired after June 30, 2011.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association Retirees Unit, AFSCME Local 152, AFL-CIO; Imua Alliance; and six individuals. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association and four individuals. Your Committee received comments on this measure from the Department of Budget and Finance, City and County of Honolulu Department of Budget and Fiscal Services, University of Hawaii Professional Assembly, and one individual.

Your Committee finds that over 22,000 retirees and over 7,400 spouses receive Medicare Part B reimbursement through the State. Your Committee further finds that Medicare Part B reimbursements are projected to cost the state General Fund \$41,700,000 during fiscal year 2012 and \$46,800,000 during fiscal year 2013. Your Committee notes that this measure proposes to prospectively eliminate Medicare Part B reimbursements paid to state and county employees, but it will not affect retirees or current employees who are vested in the Hawaii Employer-Union Health Benefits Trust Fund. This measure is an effective way to reduce the rising cost of retiree health benefits paid by state and county employers.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, 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. 984      Judiciary and Labor on H.B. No. 1038**

The purpose and intent of this measure is to address the unfunded liability of the Employees' Retirement System (ERS) by:

- (1) Providing for retirement benefit changes for state and county employees who become members of the ERS after June 30, 2012, that are different from the retirement benefits of current employees; and
- (2) Reducing the investment yield assumption for the ERS to 7.75 percent for the fiscal year ending June 30, 2011.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, Administrator of the ERS, and Department of Budget and Fiscal Services of the City and County of Honolulu. Your Committee received comments on this measure from the Hawaii Fire Fighters Association and two individuals.

Your Committee finds that this measure is one of several measures being heard that address the unfunded liability of the ERS to thereby preserve the ERS and ensure its stability for the future. During the course of the hearings on these various proposed methods to address the ERS issue, your Committee has become acutely aware of the conflicting concerns of preserving the currently unstable retirement system and the impacts that reducing retirement benefits will have on the recruitment and retention of state and county employees. Your Committee is of the firm opinion that the ERS unfunded liability must be decisively addressed in the near future, and this measure represents one option for doing so. Although segregating employees based on their date of hire is not necessarily optimal, your Committee believes that this represents a realistic and sensible method of addressing a portion of the enormous unfunded liability that the ERS currently faces.

Your Committee notes that this measure incorporates the substance of several House bills and constitutes an omnibus bill addressing ERS retirement benefits. Together with its testimony, the ERS submitted a draft containing suggested technical amendments and conforming clarifications.

Your Committee has amended this measure by:

- (1) Incorporating the recommended technical and conforming amendments recommended by the ERS; and
- (2) Making further 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1038, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1038, 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. 985 Commerce and Consumer Protection on H.B. No. 1411**

The purpose and intent of this measure is to amend the mortgage foreclosure process by:

- (1) Repealing the original nonjudicial power of sale foreclosure process under part I of chapter 667;
- (2) Clarifying the alternate nonjudicial power of sale foreclosure process under part II of chapter 667;
- (3) Strengthening the laws governing mortgage servicers; and
- (4) Creating an alternative dispute resolution process for mortgage foreclosures.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Faith in Action for Community Equity, Catholic Charities Hawai'i, National Federation of Filipino American Associations, My Mommy Daycare and Academy, and nine private individuals. Your Committee received testimony in support of the intent of this measure from the Judiciary and Legal Aid Society of Hawai'i. Your Committee received testimony in opposition to this measure from the Hawaii Bankers Association, Hawaii Credit Union League, Hawaii Financial Services Association, the Land Use Research Foundation of Hawaii, and the Mortgage Bankers Association of Hawaii. Your Committee received comments on this measure from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs, Hawaii Association of REALTORS, Hawaii Chapter of the Community Associations Institute, and three private individuals.

Your Committee finds that that the number of residential mortgage foreclosures in Hawaii has increased so rapidly during this current period of economic recession that Hawaii has gained the unfortunate distinction of having one of the highest foreclosure rates in the nation. Your Committee further finds that the Mortgage Foreclosure Task Force created by Act 162, Session Laws of Hawaii 2010, proposed amendments to the foreclosure process that reflect the consensus of a diverse group of stakeholders in the mortgage foreclosure process. Your Committee also finds that additional amendments to the mortgage foreclosure process have been proposed by professionals in the industry based on best practices from throughout the country.

Your Committee finds that implementing much-needed reforms to the mortgage foreclosure process will protect Hawaii's residents from predatory practices by lenders and will help many homeowners avoid foreclosure or mitigate damages when foreclosure is inevitable. Finally, your Committee finds that the alternative dispute resolution process for nonjudicial foreclosures contained in this measure is modeled on the highly successful foreclosure mediation program implemented by the Nevada state legislature.

Your Committee has amended this measure by:

- (1) Reorganizing its contents into five parts for clarity;
- (2) Adding a purpose section to reflect the findings of the Legislature and the contents of the measure;
- (3) Retaining the original nonjudicial power of sale foreclosure process found in part I of chapter 667 in order to allow the Mortgage Foreclosure Task Force to make recommendations regarding this process in its scheduled report to the Legislature prior to the Regular Session of 2012;
- (4) Deleting provisions related to foreclosure of liens for unpaid assessments by condominiums and planned community associations;
- (5) Deleting amendments to the statutory purpose of the Center for Alternative Dispute Resolution;
- (6) Adopting language regarding the mandatory alternative dispute resolution process and the conversion of nonjudicial foreclosures to judicial foreclosures recommended by the Mortgage Foreclosure Task Force;
- (7) Providing that the mandatory alternative dispute resolution process for foreclosures shall terminate on June 30, 2016;
- (8) Specifying that conversion to judicial foreclosure and mandatory alternative dispute resolution are mutually exclusive remedies for mortgagors in a foreclosure action;
- (9) Specifying that the Center for Alternative Dispute Resolution shall annually report to the Legislature on the progress and outcomes of the mandatory dispute resolution program;
- (10) Providing a three-month moratorium on all foreclosure actions to allow for the implementation of the alternative dispute resolution and judicial conversion provisions of this measure;
- (11) Making conforming amendments to related statutory sections; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the amendments to the provisions of this measure implementing the Mortgage Foreclosure Task Force recommendations and establishing an alternative dispute resolution process for nonjudicial foreclosures incorporate the language of S.B. No. 652, S.D. 1, and S.B. No. 651, S.D. 1, respectively, which your Committee previously heard and recommended for passage of Second Reading. Your Committee also notes that it declined to repeal the original nonjudicial power of sale foreclosure process as recommended by some consumer advocates and others in deference to the Mortgage Foreclosure Task Force, which has reported that it plans to consider this issue in the coming year. Your Committee further notes that the Mortgage Foreclosure Task Force was directed by Act 162, Session Laws of Hawaii 2010, to continue its work through June 30, 2012 and to submit a final report to the 2012 legislature. Finally, your Committee notes that the Mortgage Foreclosure Task Force has worked diligently and collaboratively to assist the Legislature on this important public policy matter.

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. 1411, H.D. 2, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as H.B. No. 1411, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Solomon).

**SCRep. 986      Judiciary and Labor on H.B. No. 1092**

The purpose and intent of this measure is to:

- (1) Tax the pension income of taxpayers with certain federal adjusted gross wages; and
- (2) Preserve the state tax deduction for taxpayers with certain adjusted gross income levels.

Your Committee received testimony in support of this measure from the Department of Taxation, Policy Advisory Board for Elder Affairs, and Imua Alliance. Your Committee received testimony in opposition to this measure from AARP Hawaii; Oahu Chapter, Hawaii Government Employees Association Retirees Unit, Local 152, AFSCME, AFL-CIO; International Longshore and Warehouse Union, Local 142; Hawaii State Teachers Association; University of Hawaii Professional Assembly; and twenty-eight individuals. Your Committee received comments on this measure from the Department of Budget and Finance, Hawai'i Alliance for Retired Americans, Tax Foundation of Hawaii, and one individual.

Your Committee finds that the State is faced with an extreme budget crisis. A budget deficit of approximately \$500,000,000 is projected for each of the next two fiscal years. Therefore, an equitable solution that spreads the tax burden evenly is needed in the current fiscal crisis. Your Committee further finds that a possible tax on pensions has been proposed during previous legislative sessions. Your Committee notes that Hawaii is one of only ten states that exclude all federal, state, and local pension income from taxation.

Based on testimony received from the Department of Taxation, your Committee notes that the tax on pension proposed by Part I of this measure will affect four percent of pensioners in Hawaii. This measure will generate approximately \$17,100,000 in income for the State of Hawaii. Additional testimony received by your Committee suggested a process by which a threshold amount of pension income would be excluded and the remainder would be subject to tax. An excluded amount would not be contingent upon a taxpayer's adjusted gross income. Your Committee notes that if a threshold of \$50,000 in pension income were adopted, it would only generate \$593,887 in income to the State.

Your Committee finds that Part II of this measure lowers the threshold for existing resident Hawaii taxpayers. Based on testimony received by your Committee, Part II of the measure as received will generate \$17,900,000, affecting 4.9 percent of resident Hawaii taxpayers. Amendments proposed to your Committee suggest lowering the thresholds would generate an additional \$15,300,000, but would only increase the number of affected resident Hawaii taxpayers to 6.7 percent. The amendments proposed before your Committee would indeed impact 36,157 taxpayers in Hawaii. However, your Committee notes that this measure would not impact 499,849 Hawaii taxpayers.

Accordingly, your Committee has amended this measure by:

- (1) Amending the federal adjusted gross income levels of taxpayers subject to the deductions under sections 164(a)(3) and 164(b)(5) of the Internal Revenue Code as follows:
  - (A) Less than \$75,000 for a taxpayer filing a single return or a married taxpayer filing separately;
  - (B) Less than \$112,500 for a head of household; and
  - (C) Less than \$150,000 for joint returns or a surviving spouse; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1092, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1092, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 987      Education on H.B. No. 159**

The purpose and intent of this measure is to establish a funding formula for charter school facilities by which the Department of Education must allocate funds.

Your Committee received testimony in support of this measure from the Department of Education, Charter School Administrative Office, Office of Hawaiian Affairs, Hawaii Technology Academy, and one individual. Your Committee received comments on this measure from the Chair of the Charter School Review Panel, who testified in her individual capacity.

Your Committee finds that facilities funding for charter schools is a critically important issue; however there are other vehicles moving through the Legislature that more appropriately address this issue.

Therefore your Committee is using this measure as a vehicle to further address governance, accountability, and transparency issues that have come to light as a result of recent events.

Your Committee further finds that it is important to clarify the duties and responsibilities of the Charter School Review Panel and the local school boards to ensure all charter schools are using funds effectively and transparently while meeting their educational goals.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with further amendments to sections 302B-3, 302B-3.5, 302B-7, and 302B-8, Hawaii Revised Statutes, which, among other things:

- (1) Raises the percentage of the annual charter school General Fund allocation that the Charter School Administrative Office may withhold for operational expenses from two percent to five percent; provided that the Office submit an annual report to the Legislature detailing how these funds were used; and
- (2) Clarifies the duties and responsibilities of the Charter School Review Panel and local school boards.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 159, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 159, 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 (Taniguchi). Noes, none. Excused, 1 (Slom).

**SCRep. 988      Judiciary and Labor on H.B. No. 801**

The purpose and intent of this measure is to clarify the Department of Taxation's subpoena authority for civil and criminal tax investigations.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that, aside from the 2009 amendment of section 231-7, Hawaii Revised Statutes, the statute that authorizes the Department of Taxation to issue subpoenas in civil and criminal cases, this section has not been updated since 1959. Your Committee understands that since 1959, procedures for issuing subpoenas have changed and the Department of Taxation provides more legal protections to subpoena recipients than is reflected in the statutory section. Accordingly, your Committee believes that this section should be updated to reflect current procedures and processes.

Your Committee has amended this measure by:

- (1) Inserting language more accurately describing the procedures for subpoenas in civil investigations;
- (2) Clarifying subpoena procedures in criminal cases;
- (3) Changing the effective date to July 1, 2050; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 801, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 801, 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 (Ihara).

**SCRep. 989      Human Services on S.C.R. No. 26**

The purpose and intent of this measure is to establish a Hawaii State Fall Prevention and Early Detection Task Force to develop a statewide approach to reducing falls among older adults.

Your Committee received testimony in support of this measure from the Department of Health, Executive Office on Aging, Department of Community Services of the City and County of Honolulu, Maui County Office on Aging, University of Hawai'i Center on Aging, Injury Prevention Advisory Committee, Policy Advisory Board for Elder Affairs, Project Dana, Child & Family Service, and seven individuals. Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that among the elderly in Hawaii, falls are the leading cause of fatal injuries, injury-related hospitalization, injury-related emergency room visits, and injury-related emergency medical service calls. Your Committee further finds that falls and fall-related injuries among older adults impose an enormous burden on individuals, society, and Hawaii's health care system.

Your Committee also finds that falls are largely preventable and are not an inevitable part of aging. Additionally, your Committee finds that the Hawaii State Fall Prevention and Early Detection Task Force proposed by this measure elevates fall prevention for older adults as a policy priority for the State by bringing together leadership and expertise from key agencies and organizations to determine the most effective means to prevent and reduce fall-related injuries and deaths.

Your Committee has amended this measure by:

- (1) Designating the Executive Office on Aging as the entity responsible for convening the Hawaii State Fall Prevention and Early Detection Task Force, rather than the University of Hawai'i Center on Aging;
- (2) Reducing the number of Task Force members to be appointed by the Governor, President of the Senate, and Speaker of the House of Representatives from five each to four; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 26, 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. 26, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 990 Ways and Means on H.B. No. 79**

The purpose and intent of this measure is to repeal, terminate, or close certain revolving funds and trust funds. In addition, this measure requires state agencies to report to the 2012 Legislature on their non-general funds.

Your Committee received testimony in opposition to this measure from Gail P. Tiwanak, Director, Hawaii State Center for Nursing; and Alan Johnson, Chairperson, Hawaii Substance Abuse Coalition.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance; Bruce A. Coppa, Comptroller, Department of Accounting and General Services; Dwight Takamine, Director, Department of Labor and Industrial Relations; Keali'i S. Lopez, Director, Department of Commerce and Consumer Affairs; Denise M. Wise, Hawaii Public Housing Authority; Tax Foundation of Hawaii; and Michael Kahikina, Executive Director, Kahikolu 'Ohana Hale 'O Wai'anae.

Your Committee believes that the repeal of special funds will restore accountability and transparency in government operations. However, rather than requiring state agencies to produce another annual report, your Committee finds that allowing agencies to transmit the information as part of a department's budget testimony package for the 2012 Legislature will increase efficiency, save time and resources, and prevent duplicity in reporting.

Your Committee has amended this measure by:

- (1) Deleting the reporting requirements and the automatic termination of funds for failure to report to the Legislature;
- (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 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. 79, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 79, 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, 3 (Dela Cruz, Fukunaga, Ryan).

**SCRep. 991 Education on H.B. No. 338**

The purpose and intent of this measure is to establish the:

- (1) Student member of the Board of Education as a voting member of the Board;
- (2) Procedure by which the student member shall be appointed by the Governor, with the advice and consent of the Senate; and
- (3) Qualification requirements and term limits for the student member to the Board of Education.

Your Committee received testimony in support of this measure from the Board of Education, Hawaii State Teachers Association, Imua Alliance, and ninety-four students. Your Committee also received a petition in support of this measure containing two hundred twenty-two signatures. Your Committee received testimony in opposition to this measure from the League of Women Voters of Hawaii.

Your Committee finds that the Legislature recently passed and the Governor recently signed into law Act 5, Session Laws of Hawaii 2011 (Act 5), which established a framework and appointment process for an appointed Board of Education. Act 5 provided for a limited student role on the Board of Education as a non-voting high school student representative.

Your Committee recognizes that the student member on the Board of Education provides the Board with a unique perspective and gives the student population direct representation on the Board. Your Committee believes that Hawaii's students are the primary stakeholders of the public education system and therefore should be represented by a Board member whose decisions in that capacity are equally weighted with those of other Board members, except in issues directly relating to personnel matters.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to amend section 2 of Act 5, Session Laws of Hawaii 2011, by:
  - (A) Incorporating provisions of this measure that establish a public high school student as a voting member on the Board of Education and set forth the terms and conditions for the appointment of the student member by the Governor, with the advice and consent of the Senate; and
  - (B) Granting the student member voting rights on all issues except issues directly relating to personnel matters;
- (2) Making a conforming amendment to section 302A-447, Hawaii Revised Statutes, to disallow the Hawaii State Student Council to determine how the student member on the Board is selected;
- (3) Making this measure effective upon approval; 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 338, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 338, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 992 Education on H.B. No. 1326**

The purpose and intent of this measure is to, among other things:

- (1) Repeal the current statutory provisions relating to benchmark reporting in favor of higher education planning;
- (2) Require the University of Hawaii Board of Regents to recommend amendments to priority guidelines for quality education, periodically review its strategic goals and outcomes toward meeting state needs related to higher education, and develop a functional plan to enable the University to become a foremost educational research, and service center of learning in the nation and Asia-Pacific region; and
- (3) Require the University of Hawaii to monitor and report biennially on its progress toward achieving performance outcomes in a manner that is transparent and clearly linked to state higher education needs as defined in section 226-107, Hawaii Revised Statutes.

Your Committee received testimony in opposition to this measure from the University of Hawai'i System.

Your Committee finds that this measure requires the University of Hawai'i System to develop a functional plan under chapter 226, Hawaii Revised Statutes, the Hawaii State Planning Act. Your Committee recognizes the concerns of the University of Hawai'i System that it is unclear how requiring the development of a functional plan under the Hawaii State Planning Act will result in greater transparency and accountability for the University in meeting the State's higher education needs.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 244, which requires the University of Hawai'i System to:

- (1) Periodically review strategic goals and outcomes adopted by the Board of Regents;
- (2) Periodically review state needs related to higher education outcomes and indicators; and
- (3) Monitor and report biennially on its progress to achieving performance outcomes in a manner that is transparent and linked to state higher education needs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1326, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1326, 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, 1 (Taniguchi).

**SCRep. 993 Ways and Means on H.B. No. 848**

The purpose and intent of this measure is to exempt from the general excise tax the amounts received by a common paymaster to pay employee remunerations for persons related to the common paymaster.

Your Committee received testimony in support of this measure from The Chamber of Commerce Hawaii. Your Committee received testimony in opposition to this measure from Frederick D. Pablo, Director, Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that expanding the common paymaster exemption may have unintended consequences for companies that meet the eighty per cent ownership and voting power tests insofar as the application of Internal Revenue Code Sections 1504 (with regard to an affiliated group of corporations) and 1563 (with regard to a controlled group of corporations) is concerned.

Your Committee has amended this measure by:

- (1) Replacing its contents with the portion of S.B. No. 1107, S.D. 1, 2011, that relates to the exemption from the general excise tax for amounts received by a related or indirectly related management entity that manages the business of the affiliates;
- (2) Deleting an unnecessary cross reference with regard to that exemption; and
- (3) Changing the effective date to July 1, 2050, to facilitate continued 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. 848, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 848, 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, 11. Noes, none. Excused, 3 (Dela Cruz, Fukunaga, Ryan).

**SCRep. 994 Water, Land, and Housing on H.B. No. 931**

The purpose and intent of this measure is to require vessels that are moored within state small boat harbors or in offshore mooring areas to be moved under their own power at least once every ninety days to demonstrate that the vessels are in good material and operating condition.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from Lisa Harrington, Krista Leblanc, Trace Harrington, Beth Malvestiti,

William Brattain, William Marshall, Joseph Shacat, Alvin Koo, Donald Scelsa, Dave Cooper, Robert Winter, Kate Johnson, and Sam Monet.

Your Committee finds that requiring a vessel moored at a state small boat harbor or offshore mooring area to move periodically under its own power beyond the confines of the state small boat harbor in which it is moored supports the intent of section 200-9, Hawaii Revised Statutes, which is to restrict the use of state small boat harbors to those vessels that are in good material and operating condition. Your Committee also understands, however, that increased vessel traffic into and out of state small boat harbors may result from this requirement, and increased vessel traffic brings the risk of accidents or injuries to other recreational users of state waters.

Accordingly, your Committee has amended this measure by:

- (1) Reducing the frequency at which vessels that are moored at small boat harbors or in offshore mooring areas must be moved under their own power to at least once every six months, rather than once in a ninety day period, to lessen the impact of increased vessel traffic into and out of state small boat harbors; 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, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 931, 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 (Shimabukuro, Slom).

**SCRep. 995 Commerce and Consumer Protection on S.C.R. No. 8**

The purpose and intent of this measure is to request that the Auditor assess the social and financial effects of requiring health insurers to provide coverage for naturopathic medicine as provided in S.B. No. 122, S.D. 2.

Your Committee received testimony in support of this measure from the Hawaii Society of Naturopathic Physicians, Hilo Natural Health Clinic, and six private individuals.

Your Committee finds that while some health insurance providers in this State do provide coverage for naturopathic medicine through optional plan riders, most insurers do not. Your Committee also finds that there is increasing patient demand for naturopathic medical services as part of comprehensive personal health care. Further, your Committee finds that once the federal Affordable Care Act is fully implemented, insurers will be required to cover naturopathic medical services. Your Committee finds that it is in the best interest of the State to begin the process now by investigating the impact of mandating insurance coverage for naturopathic care instead of waiting for a federal mandate to impose coverage later.

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 Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 8, 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. 8, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 996 Commerce and Consumer Protection on S.C.R. No. 23**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for physical therapy that is prescribed by a board-certified surgeon to treat chronic pain.

Your Committee received testimony in support of this measure from the American Cancer Society. Your Committee received comments on this measure from the Hawaii Chapter of the American Physical Therapy Association.

Your Committee finds that physical therapy is often an essential component of comprehensive personal health care. Your Committee further finds that physical therapy can help to relieve symptoms of many diseases and conditions thereby improving a patient's physical and mental well-being. Finally, your Committee finds that physical therapists function as part of a team of physicians and other providers to treat chronic or severe pain by strengthening muscles, ligaments, tendons, and joints.

Your Committee has amended this measure by:

- (1) Amending its title to accurately reflect the contents of this 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 Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 23, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 23, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 997 Commerce and Consumer Protection on S.C.R. No. 24**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for certain smoking cessation methods.



Your Committee received testimony in support of this measure from the Department of Health, Coalition for a Tobacco-Free Hawaii, American Cancer Society, and American Heart Association.

Your Committee finds that every year in Hawaii, over eleven hundred people die from tobacco-related illnesses and secondhand smoke exposure and almost six hundred of these deaths are attributable to lung cancer. Your Committee further finds that smoking cessation treatments are one of the most basic forms of preventative health care and have a direct and measurable effect of preventing illness and saving lives. Finally, your Committee notes that according to the Centers for Disease Control and Prevention, allowing tobacco dependence treatments that include medication and counseling to be a covered benefit under health insurance plans has been shown to increase the number of smokers who use cessation treatment, make an attempt at quitting, and successfully quit smoking.

Your Committee has amended this measure by:

- (1) Amending its title for accuracy; 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 Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 24, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 998 Education on S.C.R. No. 130**

The purpose and intent of this measure is to request the Department of Education to consider using its property located on Young Street, adjacent to the Academy of Arts Center, as an art resource center for teachers.

Your Committee received testimony in support of this measure from the Department of Education and the Honolulu Academy of Arts.

Your Committee finds that art is one of the ten core subjects for which the Department of Education is required to meet national standards for grades K-12. Creating an art resource center for teachers near the Honolulu Academy of Arts will allow the Department of Education to tap into the expertise of the Honolulu Academy of Arts and provide teachers with a central location for professional art training and development.

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 that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 130, 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. 130, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 999 Education on S.C.R. No. 158**

The purpose and intent of this measure is to request the Auditor to conduct a fiscal and compliance audit of the State Educational Facilities Improvement Special Fund.

Your Committee received comments on this measure from the Department of Education.

Your Committee finds that the State Educational Facilities Improvement Special Fund was created to earmark a portion of the general excise tax revenues for the Department of Education to provide assistance with needed repairs and maintenance to public school facilities. The use of these special fund monies is limited to specific projects authorized by the Legislature and subject to certain restrictions under state law. An audit of the State Educational Facilities Improvement Special Fund will be useful to determine whether the use of the funds is in compliance with state law.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 158 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 1000 (Joint) Public Safety, Government Operations, and Military Affairs and Health on S.C.R. No. 53**

The purpose and intent of this measure is to urge the United States Department of the Interior and the United States Congress to provide additional federal aid to the State of Hawaii for the provision of various state services to migrants from the Compact of Free Association Nations; deem migrants eligible to receive federally funded financial and medical assistance; and provide dialysis and chemotherapy centers in Micronesia and all areas within the Compact of Free Association Nations.

Your Committees received testimony in support of this measure from the Department of Human Services, Superintendent of Education, Healthcare Association of Hawaii, Hawaii Medical Association, and American Cancer Society. Your Committees received testimony in opposition to this measure from the Department of Labor and Industrial Relations.

Your Committees find that the cost to the State to provide various state services to the Compact of Free Association migrants continues to increase each year. Migrants from the Compact of Free Association nations are proportionally over-represented in the population of persons who receive various state social services in Hawaii. The Personal Responsibility and Work Opportunity

Reconciliation Act of 1996 prevents needy persons from the Compact of Free Association nations from receiving federally funded financial and medical assistance. If the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended to allow the Compact of Free Association migrants to receive federally funded financial and medical assistance, the State would not have to expend state funds to provide the equivalent services, thus allowing more of the State's general funds to be used for services and programs for which federal funding is not available.

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 Public Safety, Government Operations, and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 53, as amended herein, and recommend 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 Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Ryan, Shimabukuro, Slom).

**SCRep. 1001 (Joint) Public Safety, Government Operations, and Military Affairs and Health on S.R. No. 27**

The purpose and intent of this measure is to urge the United States Department of the Interior and the United States Congress to provide additional federal aid to the State of Hawaii for the provision of various state services to migrants from the Compact of Free Association Nations; deem migrants eligible to receive federally funded financial and medical assistance; and provide dialysis and chemotherapy centers in Micronesia and all areas within the Compact of Free Association Nations.

Your Committees received testimony in support of this measure from the Department of Human Services, Superintendent of Education, Healthcare Association of Hawaii, Hawaii Medical Association, and American Cancer Society. Your Committees received testimony in opposition to this measure from the Department of Labor and Industrial Relations.

Your Committees find that the cost to the State to provide various state services to the Compact of Free Association migrants continues to increase each year. Migrants from the Compact of Free Association nations are proportionally over-represented in the population of persons who receive various state social services in Hawaii. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 prevents needy persons from the Compact of Free Association nations from receiving federally funded financial and medical assistance. If the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended to allow the Compact of Free Association migrants to receive federally funded financial and medical assistance, the State would not have to expend state funds to provide the equivalent services, thus allowing more of the State's general funds to be used for services and programs for which federal funding is not available.

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 Public Safety, Government Operations, and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 27, 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. 27, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Ryan, Shimabukuro, Slom).

**SCRep. 1002 (Joint) Agriculture and Water, Land, and Housing on S.R. No. 18**

The purpose and intent of this measure is to urge the City and County of Honolulu to expend monies already dedicated in its 2010-2011 Executive Operating Budget to conduct a study to map and determine Important Agricultural Lands on Oahu.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation, Oahu Farm Bureau, and Hawaii Aquaculture and Aquaponics Association.

Your Committees find that the City and County of Honolulu's 2010-2011 Executive Operating Budget sets aside \$500,000 for a study to identify and map potential Important Agricultural Lands on Oahu. As extensive county cooperation is necessary to help the State protect agricultural lands and support agricultural viability, it is critical that the City and County of Honolulu expend these monies and conduct the necessary study and mapping of Important Agricultural Lands.

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 Agriculture and Water, Land, and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 18, as amended herein, and recommend that it be referred to the Committee on Public Safety, Government Operations, and Military Affairs, in the form attached hereto as S.R. No. 18, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Shimabukuro, Tokuda, Slom).

**SCRep. 1003 Education on S.C.R. No. 79**

The purpose and intent of this measure is to request the Board of Education to review its by-laws and polices and applicable administrative rules and statutes to improve the effectiveness of the educational delivery system.

Your Committee finds that as the result of a constitutional amendment adopted in the 2010 general election, the Board of Education is required to transform from an elected board to an appointed board, with the appointments being made by the Governor. Your Committee further finds that this change in education governance provides the Board of Education with the unique opportunity to

determine if amending or reducing regulatory constraints and requirements might assist the Board, the Department of Education, and school administrators in creating a more effective educational delivery system.

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 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, 5. Noes, none. Excused, 1 (Slom).

**SCRep. 1004 (Joint) Energy and Environment and Education on S.C.R. No. 68**

The purpose and intent of this measure is to encourage the Department of Education to:

- (1) Facilitate the installation of renewable energy facilities on the Department's properties when feasible;
- (2) Enter into power purchase agreements with renewable energy producers who use the renewable energy facilities; and
- (3) Provide a report to the Legislature that includes a list of the Department's properties at which such renewable energy facility placement would be most feasible.

Your Committees received testimony in support of this measure from Byron Baker, Janice Palma-Glennie, Elle Personius, and Ethan Personius. Your Committees received comments on this measure from the Department of Education.

Your Committees find that the State has demonstrated its commitment to renewable energy through the adoption of the Hawaii Clean Energy Initiative and has a variety of abundant renewable energy resources such as solar and wind. Pursuing and promoting the generation and use of renewable energy in public school facilities will result in substantial cost savings for the State in the long term, as well as set a positive example for other people and entities across the State, particularly students.

This measure aims to encourage the Department of Education to vigorously pursue the generation and use of renewable energy. Your Committees recognize that the Department has already made substantial strides in this direction through the awarding of a photovoltaic power purchase agreement at four school sites on Oahu and through a larger photovoltaic power purchase agreement project for all the schools on Kauai which is scheduled for bidding. Your Committees applaud the Department's commitment to reducing the State's dependence on fossil fuel and look forward to the report requested by this measure to fully inform the Legislature on the realistic possibilities for more projects similar to the projects already being pursued.

Your Committees have amended this measure by:

- (1) Amending its title; and
- (2) 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 Energy and Environment and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 68, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 68, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Ihara, Slom).

**SCRep. 1005 Human Services on Gov. Msg. No. 551**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII PUBLIC HOUSING AUTHORITY BOARD OF DIRECTORS

G.M. No. 551 JASON T. ESPERO, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jason T. Espero to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Public Housing Authority.

Your Committee received testimony in support of the nomination of Mr. Espero from the Department of Human Services; Hawaii Public Housing Authority; Oahu Filipino Community Council; Filipino Coalition for Solidarity; Hawaii Friends of Civil Rights; UNITE HERE! Local 5 Hawaii; Waikiki Health Center, Care-A-Van Program; and five individuals.

Mr. Espero received a Bachelor's degree in Political Science from the University of Hawai'i at Manoa and a Certificate of Professional Development from Kapiolani Community College.

Mr. Espero's professional experience includes administering homeless shelters and programs, and supporting social services. He is currently the Shelter Director for the Waikiki Health Center, and he has previously served as an Enumerator for the United States Census Bureau, Resident Assistant for the United States Veterans Initiative - Waianae, and Community/Political Organizing Intern for UNITE HERE! Local 5 Hawaii.

Mr. Espero is also involved in the community as the Vice-Chair of the National Federation of Filipino American Associations and an active member of St. Elizabeth Catholic Church.

Your Committee finds that the Board of the Hawaii Public Housing Authority seeks directors with a variety of life experiences and professional expertise in order to effectively fulfill its role as a policy guide for the Hawaii Public Housing Authority.

As evidenced by Mr. Espero's work history and involvement in community service, affordable housing, and human services, your Committee finds that Mr. Espero will be dedicated to the important work of the Board of Directors of the Hawaii Public Housing Authority. Mr. Espero expressed through his personal statement that his desire to serve on the Board stems from his first-hand experiences dealing with the issues and concerns of current residents of or applicants for federal and state low-income housing. His experience working with the homeless has given him particular experiences, knowledge, and insights into the hardships that persons with mental illnesses or physical disabilities face, which he hopes to carry over into his duties on the Board in assisting our most vulnerable individuals.

Mr. Espero mentioned the need to expedite the rehabilitation of public housing units to enable the placement of more individuals. He has suggested the use of public-private partnerships to rehabilitate these units and to better utilize existing public housing facilities to provide job training, language classes, and vocational rehabilitation. Your Committee is confident that Mr. Espero's experience with private organizations, including nonprofits, will serve him well in achieving these solutions and making valuable contributions to the Board and those who depend upon the effective and expedient provision of the Hawaii Public Housing Authority's services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, 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 (Slom).

**SCRep. 1006 Transportation and International Affairs on Gov. Msg. Nos. 592 and 593**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 592 JOHN A. ERVIN, for a term to expire 6-30-2015; and

G.M. No. 593 SHAWN SMITH, for a term to expire 6-30-2015.

Your Committee received testimony in support of John A. Ervin from the Department of Transportation, Department of Labor and Industrial Relations, and seventeen individuals.

John A. Ervin worked most recently with the California Correctional Center in Susanville, California in various supervisory capacities. He has also worked previously as the President and Chief Executive Officer of his own restaurant and catering business and as a Forestry Technician for the United States Forestry Service. Mr. Ervin is a graduate of Saint Louis High School in Honolulu and studied forestry and business at Lassen College in California.

Your Committee notes from the testimony of the nominee that he finds serious transportation issues in Hawaii, including gridlock on highways, high shipping costs for consumer goods, and high costs of interisland airfares. Mr. Ervin also expressed to your Committee that he desires a resolution of Hawaiian ceded lands issues involving seaports and airports but understands that the solution must include Kanaka maoli rather than be unilaterally decided by a member of the Commission on Transportation.

John A. Ervin's work experience includes county, state, and federal work and entrepreneurialism, which give him a unique perspective on government and private-sector issues. Your Committee believes that the nominee's background, education, experience, and yearning for public service qualifies him to serve on the Commission on Transportation.

Your Committee received testimony in support of Shawn Smith from the Department of Transportation.

Since 2003, Shawn Smith has been the General Manager for Falko Partners, LLC, on Kauai. As General Manager, he is the Director of Operations for various land, water, and agricultural management functions, including state and county land use requirements and permitting. He previously served with the Patrol Division and Youth Service Division of the Kaua'i Police Department.

The nominee received a Bachelor of Science degree in Government Relations from the University of Oklahoma at Norman. He has been active in community affairs on Kauai, including serving as Vice President of the Kaua'i Police Activities League since 2004 and Coach for AYSO soccer since 2005, and serving previously as Director of the Kaua'i Chamber of Commerce from 2007 to 2010 and Board member of the Kula School from 2004-2007.

Your Committee finds that the nominee's familiarity and hands-on experience in managing and working with planners, engineers, attorneys, field crews, and various government agencies will enable him to provide valuable insights and counsel to the Commission on Transportation.

Your Committee believes that the nominee's background, education, experience, and yearning for public service qualifies him for the position to which he is being nominated.

As affirmed by the records of votes of the members of your Committee on Transportation and International Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 1007 Human Services on S.C.R. No. 91**

The purpose and intent of this measure is to request the Department of the Attorney General to review confidentiality laws and rules and their impact on juvenile interagency information sharing and develop a system of interagency information sharing.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Education, and one individual.

Your Committee finds that there is a need for juvenile information sharing between justice agencies and other governmental entities throughout the State. Your Committee further finds that the recommendations the Department of the Attorney General would make pursuant to this measure should enhance the ability of schools, social service agencies, courts, and the juvenile and criminal justice systems to share information while safeguarding and protecting the rights of juveniles and their families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 91 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Green).

**SCRep. 1008 Human Services on S.C.R. No. 104**

The purpose and intent of this measure is to request the formation of a specialized Domestic Violence Unit within the Child Welfare Services Branch of the Department of Human Services.

Your Committee received testimony in support of this measure from the Domestic Violence Action Center, Papa Ola Lokahi, Coalition for a Drug-Free Hawai'i, and six individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that domestic violence is a key challenge facing many families in the Child Protective Services system. Your Committee further finds that efforts have been made over the years to strengthen working relationships and improve training and interventions necessary to keep women and children safe.

Your Committee has heard the concerns that a specialized Domestic Violence Unit in Child Welfare Services may not be the most appropriate means to address domestic violence issues in child welfare cases. Your Committee understands that these issues involve agencies and entities that are beyond the authority and responsibility of the Department of Human Services. According to testimony received by your Committee, these concerns may be better addressed through an independent third party working in cooperation with various state agencies.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the request that the Department of Human Services create a specialized Domestic Violence Unit within the Child Welfare Services Branch;
- (2) Requesting the Hawaii State Coalition Against Domestic Violence to work in partnership with the Department of Human Services, Department of Health, and Judiciary to convene a working group to develop a Volunteer Domestic Violence Assessment and Case Management Unit;
- (3) Requesting the Volunteer Domestic Violence Assessment and Case Management Unit to address and respond to cases where allegations or a history of domestic violence has been raised or identified;
- (4) Deleting the requirement that the Department of Human Services report to the Legislature on the status of the Domestic Violence Unit;
- (5) Requesting the Hawaii State Coalition Against Domestic Violence to submit a report to the Legislature on the status of the Volunteer Domestic Violence Assessment and Case Management Unit;
- (6) Changing its title to reflect its amended purpose; 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 104, 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. 104, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Green).

**SCRep. 1009 Human Services on S.R. No. 73**

The purpose and intent of this measure is to request the formation of a specialized Domestic Violence Unit within the Child Welfare Services Branch of the Department of Human Services.

Your Committee received testimony in support of this measure from the Domestic Violence Action Center, Papa Ola Lokahi, Coalition for a Drug-Free Hawai'i, and six individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that domestic violence is a key challenge facing many families in the Child Protective Services system. Your Committee further finds that efforts have been made over the years to strengthen working relationships and improve training and interventions necessary to keep women and children safe.

Your Committee has heard the concerns that a specialized Domestic Violence Unit in Child Welfare Services may not be the most appropriate means to address domestic violence issues in child welfare cases. Your Committee understands that these issues involve agencies and entities that are beyond the authority and responsibility of the Department of Human Services. According to testimony

received by your Committee, these concerns may be better addressed through an independent third party working in cooperation with various state agencies.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the request that the Department of Human Services create a specialized Domestic Violence Unit within the Child Welfare Services Branch;
- (2) Requesting the Hawaii State Coalition Against Domestic Violence to work in partnership with the Department of Human Services, Department of Health, and Judiciary to convene a working group to develop a Volunteer Domestic Violence Assessment and Case Management Unit;
- (3) Requesting the Volunteer Domestic Violence Assessment and Case Management Unit to address and respond to cases where allegations or a history of domestic violence has been raised or identified;
- (4) Deleting the requirement that the Department of Human Services report to the Legislature on the status of the Domestic Violence Unit;
- (5) Requesting the Hawaii State Coalition Against Domestic Violence to submit a report to the Legislature on the status of the Volunteer Domestic Violence Assessment and Case Management Unit;
- (6) Changing its title to reflect its amended purpose; 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 73, 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. 73, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Green).

**SCRep. 1010 Commerce and Consumer Protection on S.C.R. No. 51**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for autism spectrum disorders.

Your Committee received testimony in support of this measure from the Hawaii Disability Rights Center; Autism Behavior Consulting Group, Inc.; Autism Speaks; Community Children's Council of Hawaii; and sixteen private individuals.

Your Committee finds that autism spectrum disorders are medical conditions that should be treated in the same manner as other diseases and conditions for the purposes of health insurance coverage. Your Committee also finds that early and comprehensive treatment of autism spectrum disorders can alleviate symptoms such as communication and behavioral difficulties so that they are not disabling. Your Committee further finds that existing health insurance coverage does not include the necessary range of services to effectively treat autism spectrum disorders. Finally, your Committee finds that although comprehensive treatment can be costly, the cost of not treating autism spectrum disorders is far greater and typically borne primarily by the State in terms of expenditures on special education, public health, and other services throughout the lifetime of individuals with untreated or inadequately treated autism spectrum disorders.

Your Committee has amended this measure by:

- (1) Adding a provision requesting the Auditor to update any previous studies on this issue in light of the increased frequency of diagnoses of autism spectrum disorders and number of states that have enacted legislation mandating insurance coverage for autism spectrum disorders; 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 Commerce and Consumer Protection 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 (Galuteria, Green, Slom).

**SCRep. 1011 (Joint) Human Services and Education on S.C.R. No. 136**

The purpose and intent of this measure is to request the Department of Health to:

- (1) Convene a Developmental Screening Task Force to review Aloha United Way's Early Childhood Developmental Screening pilot projects and the University of Hawaii at Manoa Center on Disability Studies' evaluation of those pilot project; and
- (2) Make recommendations for the development of an integrated universal early childhood developmental screening system in Hawaii.

Your Committees received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Center on Disability Studies at the University of Hawaii at Manoa, Aloha United Way, Learning Disabilities Association of Hawaii, Good Beginnings Alliance, and The American Academy of Pediatrics – Hawaii Chapter.

Your Committees find that approximately 20,000 children are in special education tracks in Hawaii's school system. Your Committees further find that early detection and intervention with children experiencing developmental delays can divert children from

special education tracks to normal tracks. Your Committees also find that identifying developmental delays early allows children and their families to have access to necessary treatment and services. This leads to better health and education outcomes for children and their families.

Your Committees understand that the Department of Health Family Health Services Division has a Maternal Child Health Services Block Grant under Title V of the Social Security Act. Based on testimony received by your Committees, there is an existing work group under this grant that will be working to promote early childhood screening and development. Your Committees further find that the Family Health Services Division is planning to convene a series of collaborative meetings with state, community, professional, and family partners to address early childhood screening and follow up services.

Accordingly, your Committees have amended this measure by:

- (1) Requesting the existing Department of Health Work Group, rather than a Developmental Screening Task Force, to review the pilot projects and the evaluation of those projects;
- (2) Requesting that representatives from the University of Hawai'i at Manoa Center on Disability Studies and Aloha United Way be added as members of the Department of Health Work Group;
- (3) Requesting the Department of Health to report to the Legislature based on the Work Group's review, rather than the Developmental Screening Task Force's review;
- (4) Changing its title to reflect its amended purpose; and
- (5) 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 Human Services and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 136, as amended herein, and recommend that it be referred to the Committee on Health, in the form attached hereto as S.C.R. No. 136, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Green).

**SCRep. 1012 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 10**

The purpose and intent 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, on the social and financial impacts of mandating health insurance coverage for palliative care to determine whether this mandated coverage is in the best interest of the State.

Your Committees received testimony in support of this measure from the American Cancer Society; Hawaii Chapter, American Physical Therapy Association; and St. Francis Healthcare System of Hawaii. Your Committees received comments on this measure from Kaiser Permanente.

Your Committees find that mandatory insurance coverage of palliative care would accomplish two goals - eliminating financial barriers to health care access for individuals and providing incentives for the inclusion of palliative care in mainstream health care. Your Committees further find that a more detailed analysis should be undertaken, with an emphasis on the importance of palliative care, to determine the feasibility of mandating this type of insurance coverage.

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 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. 10, 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. 10, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Chun Oakland, Galuteria, Solomon, Slom).

**SCRep. 1013 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 28**

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, on the social and financial impacts of mandating coverage of the use of the LIFEVED Intelligent Medical Vigilance System (LIFEVED) for all policies and contracts, hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans and contracts issued on or after December 31, 2011. The intent of this measure is to reduce illnesses and injuries and assist in the maintenance of good health for the people of this State.

Your Committees received testimony in support of this measure from the Auditor and Hoana Medical Systems, Inc.

Your Committees find that technologies such as LIFEVED enable more efficient use of resources and staff, permitting nursing staff to be aware of, and respond to, precipitous patient deterioration. Your Committees further find that mandated insurance coverage for systems like LIFEVED should be more thoroughly considered. Your Committees heard concerns regarding the request for the support or consideration of a specific commercial product. Your Committees find that there are additional available technologies that provide hospital bed monitoring capabilities and that these systems should also be evaluated to prevent patient mortality by providing sufficient alerts of potentially dangerous clinical events.

Accordingly, your Committees have amended this measure by:

- (1) Broadening the request to the Auditor for the assessment of the social and financial effects of requiring health insurers to provide coverage for hospital bed monitoring technology, instead of a product-specific form of bed monitoring technology;

- (2) Amending its title accordingly; 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 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. 28, 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. 28, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Chun Oakland, Galuteria, Solomon, Slom).

**SCRep. 1014 Human Services on S.C.R. No. 143**

The purpose and intent of this measure is to encourage the Department of Human Services to explore implementation of the My Safe Drawer computer application for foster youth who are transitioning out of the foster care system.

Your Committee received testimony in support of this measure from CGI Technologies and Solutions Inc. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that many young people transitioning out of foster care may not have permanent living arrangements established. Your Committee further finds that former foster youth may lose vital documents during their transition from foster care. Losing these documents may present obstacles when former foster youth apply for jobs, apply to college, or receive medical care.

Your Committee also finds that web-based applications such as the My Safe Drawer application are designed to provide former foster youth with information and support to facilitate a transition to successful independence as an adult.

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. 143 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1015 Human Services on S.C.R. No. 46**

The purpose and intent of this measure is to recognize April as Sexual Assault Awareness and Prevention Month.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai'i and one individual.

Your Committee finds that sexual assault affects people of all ages and racial, social, religious, ethnic, and economic backgrounds in the United States. Your Committee further finds that violence in the form of intimate partner abuse, sexual assault, and stalking can have devastating emotional consequences that outlast the physical effects. Your Committee also finds that promoting awareness of sexual violence and strategies to decrease the incidence of sexual assault is a proactive way to stop the cycle of violence.

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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 46, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 46, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1016 Human Services on S.R. No. 22**

The purpose and intent of this measure is to recognize April as Sexual Assault Awareness and Prevention Month.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai'i and one individual.

Your Committee finds that sexual assault affects people of all ages and racial, social, religious, ethnic, and economic backgrounds in the United States. Your Committee further finds that violence in the form of intimate partner abuse, sexual assault, and stalking can have devastating emotional consequences that outlast the physical effects. Your Committee also finds that promoting awareness of sexual violence and strategies to decrease the incidence of sexual assault is a proactive way to stop the cycle of violence.

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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 22, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1017 Health on S.C.R. No. 4**

The purpose and intent of this measure is to proclaim the month of May of each year as "Lupus Awareness Month" in Hawaii to raise awareness of the disease.



Your Committee received testimony in support of this measure from Hawaii Medical Association, Lupus Hawai'i, Women in Government, and one private citizen.

Your Committee finds that new research and new approaches to diagnosis and treatment are needed to fight lupus, and that the suffering of lupus victims can be alleviated through patient services and the promotion of early detection of undiagnosed cases through lupus awareness programs. Declaring one month out of each year to lupus awareness will increase the public's knowledge of the disease.

Your Committee has amended this measure by:

- (1) Amending its title; 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 Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 4, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 4, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 1018 Health on S.C.R. No. 25**

The purpose and intent of this measure is to request the Board of Nursing to develop and implement a pain and palliative care policy to ensure that knowledgeable, ethical, and experienced pain management practitioners administer opiates for severe acute pain or severe chronic pain under safe conditions.

Your Committee received testimony in support of this measure from the Hawaii Chapter, American Physical Therapy Association; American Cancer Society Hawai'i Pacific, Inc.; Healthcare Association of Hawaii; and one private citizen. Your Committee received testimony in opposition to this measure from the Board of Nursing, Hawaii Medical Association, and Hawaii Society of Anesthesiologists. Your Committee received comments on this measure from Kaiser Permanente and St. Francis Healthcare System of Hawaii.

Your Committee finds that the inadequate treatment of severe acute pain and severe chronic pain originating from cancer or noncancerous conditions is a significant health problem and the State has an interest in developing a standard of care with respect to palliative care to help alleviate these problems associated with pain management. Your Committee suggests that representatives of the medical field, including primary care physicians, anesthesiologists, nurses, and other medical practitioners, be included in the assessment in order to better evaluate current and prevailing recommendations regarding a pain and palliative care policy.

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 Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 25, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 1019 Commerce and Consumer Protection on S.C.R. No. 111**

The purpose and intent of this measure is to request the Auditor to conduct a sunrise review of the regulation of large-scale dog breeders and dog breeding facilities.

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 Humane Society of the United States, Hawaiian Humane Society, and one individual. Your Committee received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that dog breeding is currently unregulated in Hawaii. Further, while animal cruelty laws do exist, they are insufficient to allow for effective enforcement, particularly since current law does not allow entry onto property for the investigation of suspected violations. Your Committee also finds that unscrupulous breeding programs not only harm breeding animals that are kept under inhumane conditions, but also produce puppies that are sold to unsuspecting consumers despite their unsuitability as pets due to health problems. Finally, your Committee finds that this measure would allow for the regulation and oversight of the dog breeding industry to effectively prevent the operation of puppy mills.

Your Committee has amended this measure by:

- (1) Specifying that the Auditor's requested assessment should also address alternative forms of regulation, as provided in section 26H-6, Hawaii Revised Statutes; 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 Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 111, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 111, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Solomon). Noes, none. Excused, 3 (Galuteria, Green, Slom).

**SCRep. 1020 (Joint) Health and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 124**

The purpose and intent of this measure is to urge the Director of Health to convene task forces with the counties, other than the County of Kalawao, beginning with the most populous county and proceeding with the other counties in decreasing order by population, to develop community benefits packages for the neighborhoods located closest to landfills in order to assist these communities, which may be adversely and disproportionately affected by landfills.

Your Committees received testimony in support of this measure from the Iron Workers Stabilization Fund, T. George Paris, Mel Kahele, and Ron Amemiya. Your Committees received testimony in opposition to this measure from Timothy E. Steinberger, Director of the Department of Environmental Services, City and County of Honolulu; Michael R. Hansen, Director of the Department of Budget and Fiscal Services, City and County of Honolulu; and Gary M. Slovin, PVT Land Company.

Your Committees find that there is a need to study and explore options to improve the quality of life for residents of neighborhoods located closest to landfills, including the consideration of options such as tax breaks and funding mechanisms for social services in these communities. The convening of task forces and submittal of their findings to the Legislature will allow the State to better gauge the needs of these communities and explore methods to address those needs.

Your Committees have amended this measure by:

- (1) Inserting language describing the concerns that have been raised by private citizens that non-municipal solid waste deposited at landfills within the State is piled aboveground and contains potentially harmful substances; and
- (2) 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 Health and Public Safety, Government Operations, and Military Affairs 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 that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 124, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7; Ayes with Reservations (Chun Oakland, Kidani, Nishihara). Noes, none. Excused, 3 (Baker, Wakai, Slom).

**SCRep. 1021 Human Services on S.R. No. 49**

The purpose and intent of this measure is to request the Department of the Attorney General to review confidentiality laws and rules and their impact on juvenile interagency information sharing and develop a system of interagency information sharing.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Education, and one individual.

Your Committee finds that there is a need for juvenile information sharing between justice agencies and other governmental entities throughout the State. Your Committee further finds that the recommendations the Department of the Attorney General would make pursuant to this measure should enhance the ability of schools, social service agencies, courts, and the juvenile and criminal justice systems to share information while safeguarding and protecting the rights of juveniles and their families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 49 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1022 Hawaiian Affairs on S.C.R. No. 82**

The purpose and intent of this measure is to:

- (1) Urge the Department of Education to require all public high schools to offer 'olelo Hawai'i classes; and
- (2) Encourage all private high schools to offer 'olelo Hawai'i classes at their respective institutions.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, and Papa Ola Lokahi. Your Committee received testimony in opposition to this measure from the Department of Education.

Your Committee finds that the Hawaiian language is an integral aspect of the culture and identity of Hawai'i, and Hawai'i schools have played a key role in the decline and revival of the Hawaiian language. In 1896, a law was passed that prohibited Hawaiian from being spoken in schools and the long-term impact of this law was devastating. By the early 1980s, the Hawaiian language was on the brink of extinction, with only a handful of native speakers under the age of eighteen. To save the language, advocates established Hawaiian language immersion schools, and more than twenty-five years later, these schools remain at the center of the thriving Hawaiian language movement.

Your Committee is strongly supportive of the continuing efforts to expand the teaching of 'olelo Hawai'i in public and private schools throughout the State.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 82 and recommends that it be referred to the Committee on Education.

Signed by the Vice Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (English, Galuteria, Kahele).

**SCRep. 1023 (Majority) Hawaiian Affairs on S.C.R. No. 52**

The purpose and intent of this measure is to request the President of the University of Hawai'i System to:

- (1) Convene an academic symposium to consider the establishment of a Hawaiian language university within the University of Hawai'i System, in consultation with the Puko'a Council and representatives from the Hawaiian language studies programs on all campuses; and
- (2) Report to the Legislature and the Governor no later than twenty days prior to the convening of the Regular Session of 2012 on the findings of the symposium and the recommendations related to the establishment of a Hawaiian language university within the University of Hawai'i System.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs and Hanakahi Council of the University of Hawai'i at Hilo. Your Committee received comments on this measure from the University of Hawai'i System and Office of Hawaiian Affairs.

Your Committee is supportive of the concept of this measure as a further step in the reestablishment of teaching the Hawaiian language within educational systems.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 52 and recommends that it be referred to the Committee on Education.

Signed by the Vice Chair on behalf of the Committee.  
Ayes, 3. Noes, 2 (Ryan, Slom). Excused, 3 (English, Galuteria, Kahele).

**SCRep. 1024 (Majority) Hawaiian Affairs on S.C.R. No. 147**

The purpose and intent of this measure is to:

- (1) Encourage the Office of Hawaiian Affairs and Executive Branch to engage in discussions to formulate and submit a recommendation to the Legislature for resolving all claims and disputes between the State and the Office of Hawaiian Affairs regarding the amount of the income and proceeds from the lands of the public land trust that the Office of Hawaiian Affairs should receive under the Hawaii State Constitution and state law, between November 7, 1978, and July 1, 2008; and
- (2) Include, at a minimum, any recommendation to the Legislature to specify the amount in cash payments, parcels of land, or a combination, that the Legislature shall appropriate and authorize the State to pay or transfer to the Office of Hawaiian Affairs.

Your Committee received testimony in support of this measure from the Governor, Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Aha Kiole Advisory Committee, and Papa Ola Lokahi. Your Committee received comments on this measure from one individual.

Your Committee finds that resolution of outstanding issues relating to the income and proceeds from the lands of the public land trust between November 7, 1978, and July 1, 2008, has remained unresolved for more than three decades and the Hawaii Supreme Court has ruled that resolution of the issue is primarily the responsibility of the Legislature. This measure would support the efforts of the Office of Hawaiian Affairs and the Executive Branch to formulate and submit a recommendation to the Legislature for the past due resolution of this issue.

Your Committee commends the parties for their willingness to engage in these critical discussions in a timely and forthright manner.

Your Committee has amended this measure to clarify the terms of the last agreement regarding the participants, total agreement amount, and period referenced in the agreement.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147, as amended herein, and recommends that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.C.R. No. 147, S.D. 1.

Signed by the Vice Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 3 (English, Galuteria, Kahele).

**SCRep. 1025 Hawaiian Affairs on S.C.R. No. 84**

The purpose and intent of this measure is to request the Office of Hawaiian Affairs to:

- (1) Convene a task force to produce a comprehensive report on strategies and resources needed to reduce recidivism among Native Hawaiians; and
- (2) Submit the report to the Governor and the Legislature no later than twenty days prior to the convening of the Regular Session of 2012.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs and Papa Ola Lokahi. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee understands that the Office of Hawaiian Affairs has already begun sharing data with various stakeholder groups, state agencies, academic partners, and existing task forces as a result of the Office of Hawaiian Affairs' report on "The Disparate Treatment of Native Hawaiians in the Criminal Justice System". The Office of Hawaiian Affairs testified that it is now participating with the Interagency Council on Intermediate Sanctions, whose vision is to reduce recidivism and prevent future victimization by adult offenders. While the Office of Hawaiian Affairs has testified that this measure may be duplicative of those and similar efforts, your Committee believes that the various initiatives would instead enhance the overall goal of reducing recidivism among Native Hawaiians and the broader inmate population.

Your Committee has amended this measure by adding the Chief Justice of the Supreme Court to the list of those receiving a certified copy of the Concurrent Resolution.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84, as amended herein, and recommends that it be referred to the Committee on Public Safety, Government Operations, and Military Affairs, in the form attached hereto as S.C.R. No. 84, S.D. 1.

Signed by the Vice Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 3 (English, Galuteria, Kahele).

**SCRep. 1026 Hawaiian Affairs on S.C.R. No. 159**

The purpose and intent of this measure is to urge the Department of Hawaiian Home Lands to:

- (1) Release pastoral and agricultural leases to its beneficiaries; and
- (2) Submit to the Legislature prior to the convening of the Regular Session of 2012, a report of its activities and efforts with respect to the release of pastoral and agricultural leases to its beneficiaries.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands, Keaukaha Panaewa Farmers Association, and two individuals. Your Committee received comments on this measure from one individual.

Your Committee understands that the Hawaiian Homes Commission took action last year to support initiatives to make more agricultural and pastoral homesteads available to beneficiaries, and that the Department of Hawaiian Home Lands is currently in the process of assessing agricultural and pastoral homesteads with the intent of revising, redeveloping, and advancing these programs. Your Committee is in support of these efforts and looks forward to a review of the Department's report to the Legislature.

In addition, your Committee has amended this measure by:

- (1) Incorporating language from S.C.R. No. 177, which requests the Department of Hawaiian Home Lands to provide statistical data to the Legislature on the homestead program for the period 2000 through 2010;
- (2) Adding language to request the Department of Hawaiian Home Lands to provide statistical data for the period 2000 through 2010, on infrastructure and other expenditures and on the number of awards and applicants offered homestead awards for: residential, pastoral, agricultural, and aquacultural homesteads; vacant improved lots; improved homes; self-help home-building strategies; and undivided interest programs;
- (3) Amending its title accordingly; 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 Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159, 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. 159, S.D. 1.

Signed by the Vice Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 3 (English, Galuteria, Kahele).

**SCRep. 1027 (Majority) Judiciary and Labor on S.C.R. No. 155**

The purpose and intent of this measure is to request a study on the feasibility of implementing a Powerball state lottery.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Catholic Conference, Hawaii Family Forum, and one individual. Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that Hawaii is in the midst of an economic crisis. Accordingly, the State must explore all options to make up cuts in general funds, particularly to ensure that sufficient funds are available for the education of Hawaii's children. Participation in a multi-state lottery, such as the Powerball lottery, may provide a method of raising funds for this purpose. Your Committee believes that a thorough study of this issue is appropriate.

Your Committee has amended this measure by:

- (1) Placing the responsibility of conducting the study on the Department of Business, Economic Development, and Tourism, as it is a more appropriate agency to consider and evaluate economic matters such as the feasibility of implementing a Powerball State lottery or Mega Millions lottery;
- (2) Requesting that the Legislative Reference Bureau assist the Department of Business, Economic Development, and Tourism in preparing its study and proposed Legislation;
- (3) Amending its title to accurately reflect its contents; 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 Judiciary and Labor 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 Ways and Means, in the form attached hereto as S.C.R. No. 155, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 2. Noes, 1 (Gabbard). Excused, 2 (Ihara, Slom).

**SCRep. 1028 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 163**

The purpose and intent of this measure is to request the Civil Defense Division of the Department of Defense to install, as a matter of immediate urgency, additional civil defense warning sirens in areas still without sirens and ensure that all sirens are in working order at all times in case of disaster emergencies, and to report to the Legislature on the status and progress of these efforts no later than twenty days prior to the convening of the Regular Session of 2012.

Your Committee received testimony in support of this measure from the State Department of Defense and one individual.

Your Committee finds that news reports of the March 11, 2011, tsunami in Hawaii indicated that some civil defense warning sirens were inoperable or that there were still pockets of communities without warning sirens. The placement of additional civil defense warning sirens and public safety communications equipment throughout the State will improve the timeliness of the Emergency Alert System in transmitting evacuation and other information to the public through radio and television.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 163 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1029 Public Safety, Government Operations, and Military Affairs on S.R. No. 100**

The purpose and intent of this measure is to request the Civil Defense Division of the Department of Defense to install, as a matter of immediate urgency, additional civil defense warning sirens in areas still without sirens and ensure that all sirens are in working order at all times in case of disaster emergencies, and to report to the Legislature on the status and progress of these efforts no later than twenty days prior to the convening of the Regular Session of 2012.

Your Committee received testimony in support of this measure from the State Department of Defense and one individual.

Your Committee finds that news reports of the March 11, 2011, tsunami in Hawaii indicated that some civil defense warning sirens were inoperable or that there were still pockets of communities without warning sirens. The placement of additional civil defense warning sirens and public safety communications equipment throughout the State will improve the timeliness of the Emergency Alert System in transmitting evacuation and other information to the public through radio and television.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.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, 1 (Slom).

**SCRep. 1030 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 162**

The purpose and intent of this measure is to express legislative support of the concept of public-private partnerships to build prisons and correctional facilities in the State, and to urge the Governor to begin discussions and plans to establish public-private partnerships as soon as possible to deal with the State's prison overcrowding and to return the majority of our prisoners who are incarcerated on the mainland.

Your Committee received testimony in support of this measure from the Department of Public Safety; Hawaii Youth Services Network; The Pacific Resource Partnership; SSFM-PH Hawaii LLC; and SSFM International, Inc. Your Committee received testimony in opposition to this measure from the Community Alliance on Prisons and American Civil Liberties Union of Hawai'i.

For over ten years the State has sent inmates to the mainland for incarceration due to overcrowding in the State's correctional facilities. Inmates on the mainland are not able to have close support from family and friends for their rehabilitation and re-entry efforts.

Over \$50,000,000 of Hawaii's public funds are spent annually to incarcerate inmates on the mainland. These funds are not circulating in our economy, but in the economies of other states, providing jobs and opportunities for mainland residents and companies.

New prisons and correctional facilities in the State would create local construction jobs and public safety jobs, and allow inmates to be close to their supportive families. There are private companies that are willing to establish public-private partnerships with the State to use their financial resources to build new prison facilities in Hawaii.

Your Committee wishes to clarify that this measure addresses construction only and not the management or operations of a prison.

Your Committee has amended this measure by:

- (1) Urging the Governor to additionally discuss and plan to establish re-entry centers, drug treatment facilities, and other correctional facilities in the state;
- (2) Amending its title accordingly; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 162, 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. 162, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1031 Public Safety, Government Operations, and Military Affairs on S.R. No. 99**

The purpose and intent of this measure is to express legislative support of the concept of public-private partnerships to build prisons and correctional facilities in the State, and to urge the Governor to begin discussions and plans to establish public-private partnerships as soon as possible to deal with the State's prison overcrowding and to return the majority of our prisoners who are incarcerated on the mainland.

Your Committee received testimony in support of this measure from the Department of Public Safety; Hawaii Youth Services Network; The Pacific Resource Partnership; SSFM-PH Hawaii LLC; and SSFM International, Inc. Your Committee received testimony in opposition to this measure from the Community Alliance on Prisons and American Civil Liberties Union of Hawai'i.

For over ten years the State has sent inmates to the mainland for incarceration due to overcrowding in the State's correctional facilities. Inmates on the mainland are not able to have close support from family and friends for their rehabilitation and re-entry efforts.

Over \$50,000,000 of Hawaii's public funds are spent annually to incarcerate inmates on the mainland. These funds are not circulating in our economy, but in the economies of other states, providing jobs and opportunities for mainland residents and companies.

New prisons and correctional facilities in the State would create local construction jobs and public safety jobs, and allow inmates to be close to their supportive families. There are private companies that are willing to establish public-private partnerships with the State to use their financial resources to build new prison facilities in Hawaii.

Your Committee wishes to clarify that this measure addresses construction only and not the management or operations of a prison.

Your Committee has amended this measure by:

- (1) Urging the Governor to additionally discuss and plan to establish re-entry centers, drug treatment facilities, and other correctional facilities in the state;
- (2) Amending its title accordingly; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 99, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 99, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1032 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 72**

The purpose and intent of this measure is to request the Department of Public Safety to return Hawaii prisoners held in mainland facilities, and to construct a new correctional facility at Panaewa near Hilo; and

Your Committee received testimony in support of this measure from the Department of Public Safety, Department of Hawaiian Home Lands, Hawaii Paroling Authority, University of Hawai'i System, Community Alliance on Prisons, and American Civil Liberties Union of Hawai'i.

Imprisoning people from Hawaii on the mainland exacerbates the disproportionate impact of the criminal justice system on some Native Hawaiians because they are cut off from supportive communities and families that give them a reason to exit prison as soon as possible. Even the absence of familiar surroundings and changes in the weather can be traumatizing. For Native Hawaiians, the impact of trauma is particularly salient because of strong connections to family, the land, and community.

Your Committee believes that returning incarcerated persons, particularly Native Hawaiians, from the mainland is in the best interest of the State and the inmates themselves.

Your Committee has amended this measure by:

- (1) Deleting references to the construction of a new correctional facility specifically at Panaewa on the Big Island;
- (2) Request the Department of Public Safety to consider construction of a new prison, re-entry center, or other correctional facility on the Big Island;
- (3) Amending its title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 72, 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. 72, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1033 Public Safety, Government Operations, and Military Affairs on S.R. No. 45**

The purpose and intent of this measure is to request the Department of Public Safety to return Hawaii prisoners held in mainland facilities, and to construct a new correctional facility at Panaewa near Hilo; and

Your Committee received testimony in support of this measure from the Department of Public Safety, Department of Hawaiian Home Lands, Hawaii Paroling Authority, University of Hawai'i System, Community Alliance on Prisons, and American Civil Liberties Union of Hawai'i.

Imprisoning people from Hawaii on the mainland exacerbates the disproportionate impact of the criminal justice system on some Native Hawaiians because they are cut off from supportive communities and families that give them a reason to exit prison as soon as possible. Even the absence of familiar surroundings and changes in the weather can be traumatizing. For Native Hawaiians, the impact of trauma is particularly salient because of strong connections to family, the land, and community.

Your Committee believes that returning incarcerated persons, particularly Native Hawaiians, from the mainland is in the best interest of the State and the inmates themselves.

Your Committee has amended this measure by:

- (1) Deleting references to the construction of a new correctional facility specifically at Panaewa on the Big Island;
- (2) Request the Department of Public Safety to consider construction of a new prison, re-entry center, or other correctional facility on the Big Island;
- (3) Amending its title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 45, 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. 45, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1034 (Joint) Public Safety, Government Operations, and Military Affairs and Hawaiian Affairs on S.C.R. No. 110**

The purpose and intent of this measure is to request the Department of Public Safety and Department of Hawaiian Home Lands to establish a task force to consider whether the two departments should enter into a memorandum of understanding to have the Department of Hawaiian Home Lands administer and operate a community-based reentry program for offenders on Hawaii Island.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Community Alliance on Prisons, and two individuals.

Among the programs and services that may be offered by the Department of Public Safety are community-based programs which, unlike institution-based programs, reentry programs, or reintegration programs, are programs that are administered and operated outside of a correctional facility. Generally, community-based programs are administered and operated by community agencies, faith-based organizations, non-profit organizations, and other similar entities, as opposed to state or other government agencies. An alternative to the purchase of service contracts with community agencies and similar entities would be a memorandum of understanding with the Department of Hawaiian Home Lands for the administration and operation of a community-based program.

Your Committees have amended this measure by:

- (1) Deleting references to the formation of a task force;
- (2) Adding the Office of Hawaiian Affairs as one of the three parties to consider whether to enter into a memorandum of understanding, as the Office of Hawaiian Affairs has recently looked at the disparate treatment of native Hawaiians in our judicial system and has expressed concern at the number of native Hawaiians who are incarcerated.
- (3) Changing the title and making other appropriate conforming amendments to reflect the changes described in paragraphs (1) and (2); and
- (4) 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 Public Safety, Government Operations, and Military Affairs and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 110, 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. 110, S.D. 1.

Signed by the Chair and Vice Chair on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (English, Galuteria, Slom).

**SCRep. 1035 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 149**

The purpose and intent of this measure is to encourage:

- (1) The State Attorney General and various state and county law enforcement agencies to adopt new eyewitness identification procedures to decrease the rate of erroneous eyewitness identifications; and

- (2) Criminal investigations to be conducted by state law enforcement agencies in accordance with the newest and best practices available for eyewitness identification.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons, The Drug Policy Forum of Hawai'i, and four individuals.

Your Committee finds that recent studies have shown that traditional eyewitness identification procedures may lead to faulty eyewitness identifications. The National Institute of Justice recommends the adoption of new policies and procedures that are readily available and proven to be effective in other jurisdictions. Studies have also shown that the criminal justice system can significantly decrease the rate of erroneous eyewitness identifications by implementing modern identification procedures that would also increase the ability of police and prosecutors to convict the guilty and protect communities.

Testimony submitted by two third-year law students at the William S. Richardson School of Law indicates that based on classroom experiments, eyewitness identification is inherently extremely inaccurate. During the experiments, several students gave vastly different descriptions of the same purported classroom intruder after seeing that person only once, which is the typical situation in eyewitness identifications. One or more students did not sufficiently observe the intruder to give any description. Your Committee believes that eyewitness identification procedures need to be as fool proof as humanly possible, and preferably corroborated with other evidence.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 149, as amended herein, and recommends that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.C.R. No. 149, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1036 Public Safety, Government Operations, and Military Affairs on S.R. No. 89**

The purpose and intent of this measure is to encourage:

- (1) The State Attorney General and various state and county law enforcement agencies to adopt new eyewitness identification procedures to decrease the rate of erroneous eyewitness identifications; and
- (2) Criminal investigations to be conducted by state law enforcement agencies in accordance with the newest and best practices available for eyewitness identification.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons, The Drug Policy Forum of Hawai'i, and four individuals.

Your Committee finds that recent studies have shown that traditional eyewitness identification procedures may lead to faulty eyewitness identifications. The National Institute of Justice recommends the adoption of new policies and procedures that are readily available and proven to be effective in other jurisdictions. Studies have also shown that the criminal justice system can significantly decrease the rate of erroneous eyewitness identifications by implementing modern identification procedures that would also increase the ability of police and prosecutors to convict the guilty and protect communities.

Testimony submitted by two third-year law students at the William S. Richardson School of Law indicates that based on classroom experiments, eyewitness identification is inherently extremely inaccurate. During the experiments, several students gave vastly different descriptions of the same purported classroom intruder after seeing that person only once, which is the typical situation in eyewitness identifications. One or more students did not sufficiently observe the intruder to give any description. Your Committee believes that eyewitness identification procedures need to be as fool proof as humanly possible, and preferably corroborated with other evidence.

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 Public Safety, Government Operations, 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 that it be referred to the Committee on Judiciary and Labor, 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, 1 (Slom).

**SCRep. 1037 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 63**

The purpose and intent of this measure is to urge the United States Congress to uphold the longstanding right of citizenship, provided for in the Fourteenth Amendment of the United States Constitution, to all persons born in the United States.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai'i. Your Committee received comments on this measure from one individual.

Your Committee finds that America is a nation of immigrants, and generations of Americans have understood that children born in the United States are entitled to United States citizenship, regardless of the nationality of their parents. The idea of eliminating automatic citizenship for the children of unlawful immigrants is gaining traction as a method of curbing illegal immigration, despite several United States Supreme Court decisions affirming the fundamental right of citizenship for all people born within the United States.



Your Committee believes that the right to United States citizenship should be extended to all persons born in this country regardless of the immigration status of parents of children born in the United States. Your Committee finds that Hawaii is particularly fortunate to have many immigrant parents with children born in this State, who learn the value of hard work and a good education and contribute to the productivity, diversity, and growth of the State.

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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.C.R. No. 63, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1038 (Joint) Public Safety, Government Operations, and Military Affairs and Agriculture on S.C.R. No. 73**

The purpose and intent of this measure is to request the Governor to ensure that the Chief Procurement Officers comply with the Hawaii Public Procurement Code preferences for Hawaii products to promote growth of the State's agriculture industry and thereby assure food security for Hawaii's citizens.

Your Committees received testimony in support of this measure from the Native Hawaiian Chamber of Commerce; Maui Cattle Company; Kaupo Ranch, Ltd.; and two individuals.

Your Committees find that food security of the State of Hawaii is dependent upon a vibrant and expanding local agriculture industry. Section 103D-1002, Hawaii Revised Statutes, provides a preference for public procurement of Hawaii products, including food raised or grown within the State. The statutory preference for government purchases of Hawaii products provides Hawaii agricultural producers with a reliable market and creates economic incentives for the expansion of the Hawaii agriculture industry.

Testimony on this measure indicates that, at least in regard to cattle, Hawaii ranchers are moving toward keeping their cattle at home for local consumption. Marketing operations are transitioning from shipping calves to the mainland to providing beef for the local market. This measure supports this movement by encouraging more sales of agricultural products to local consumers.

The intent of your Committees is to provide opportunities for the expansion of the local agricultural market, which serves the dual purposes of supporting local agricultural small businesses and improving the food self-sufficiency of the State.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Agriculture 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 Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Kaehele, Kouchi, Tokuda).

**SCRep. 1039 (Joint) Public Safety, Government Operations, and Military Affairs and Agriculture on S.R. No. 46**

The purpose and intent of this measure is to request the Governor to ensure that the Chief Procurement Officers comply with the Hawaii Public Procurement Code preferences for Hawaii products to promote growth of the State's agriculture industry and thereby assure food security for Hawaii's citizens.

Your Committees received testimony in support of this measure from the Native Hawaiian Chamber of Commerce; Maui Cattle Company; Kaupo Ranch, Ltd.; and two individuals.

Your Committees find that food security of the State of Hawaii is dependent upon a vibrant and expanding local agriculture industry. Section 103D-1002, Hawaii Revised Statutes, provides a preference for public procurement of Hawaii products, including food raised or grown within the State. The statutory preference for government purchases of Hawaii products provides Hawaii agricultural producers with a reliable market and creates economic incentives for the expansion of the Hawaii agriculture industry.

Testimony on this measure indicates that, at least in regard to cattle, Hawaii ranchers are moving toward keeping their cattle at home for local consumption. Marketing operations are transitioning from shipping calves to the mainland to providing beef for the local market. This measure supports this movement by encouraging more sales of agricultural products to local consumers.

The intent of your Committees is to provide opportunities for the expansion of the local agricultural market, which serves the dual purposes of supporting local agricultural small businesses and improving the food self-sufficiency of the State.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 46 and recommend that it be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Kaehele, Kouchi, Tokuda).

**SCRep. 1040 (Joint) Water, Land, and Housing and Judiciary and Labor on S.C.R. No. 85**

The purpose and intent of this measure is to request the Attorney General to conduct an investigation relating to the payment of geothermal royalties by Puna Geothermal Venture, among other things, to determine whether geothermal royalties are administered in a fair, legal, and ethical manner.

Your Committees received testimony in support of this measure from Robert K. Lindsey, Jr., member of the Board of Trustees of the Office of Hawaiian Affairs, and Indigenous Consultants, LLC. Your Committees received testimony in opposition to this measure

from the Department of the Attorney General. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that section 182-18, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to fix the payment of royalties to the State for the utilization of geothermal resources at a rate that will encourage the initial and continued production of such resources. Section 26-18, Hawaii Revised Statutes, requires, among other things, that the Department of Business, Economic Development, and Tourism undertake energy development and management across the State. This measure takes steps to ensure that the development of geothermal resources is continued in a fair, legal, and ethical manner.

Your Committees have amended this measure by:

- (1) Requesting the Auditor to conduct an audit of the State's program of geothermal leasing and royalty payments, rather than requesting the Attorney General to conduct an investigation, and making conforming amendments, including amendments to the title; and
- (2) Adding language describing the statutory responsibilities of the Board of Land and Natural Resources and the Department of Business, Economic Development, and Tourism, as they relate to mining of geothermal resources and energy development and management;
- (3) Deleting language related to "avoided cost formula", contracts between Hawaii Electric Light Company, Inc., and Puna Geothermal Venture, and possible criminal activity associated with geothermal royalties; and
- (4) 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 Water, Land, and Housing and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 85, 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. 85, S.D. 1.

Signed by the Chair and Vice President on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ihara, Tokuda, Slom).

**SCRep. 1041 (Majority) Ways and Means on H.B. No. 1089**

The purpose and intent of this measure is to update the state income tax laws to conform to amendments made to the federal Internal Revenue Code in calendar year 2010.

Your Committee received testimony in support of this measure from Frederick D. Pablo, Director, Department of Taxation.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure is the annual conformity bill submitted by the Department of Taxation pursuant to section 235-2.5, Hawaii Revised Statutes, to maintain state income tax conformity with the federal Internal Revenue Code by adopting changes made during the previous year that are appropriate for Hawaii law.

Your Committee has amended this measure by:

- (1) Providing that the thresholds for the operation of Section 68 of the Internal Revenue Code (with respect to the overall limitation on itemized deductions) shall be those that were operative for federal tax year 2009;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (3) Making a technical, nonsubstantive amendment for 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. 1089, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1089, 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 (Slom). Excused, 3 (Dela Cruz, Fukunaga, Ryan).

**SCRep. 1042 Commerce and Consumer Protection on Gov. Msg. Nos. 530, 531 and 532**

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

- G.M. No. 530 ANACLETO "JOEY" S. ALCANTRA JR., for a term to expire 6-30-2015;  
G.M. No. 531 PETER LEE, for a term to expire 6-30-2015; and  
G.M. No. 532 JOHN POLISCHECK, for a term to expire 6-30-2015.

Your Committee received testimony in support of the nomination of Anacleto "Joey" S. Alcantra, Jr. from the Department of Commerce and Consumer Affairs; United States Congresswoman Colleen Hanabusa; Hawaii Laborers' Union, Local 368; Hawaii Masons Union; Hawaii Hotel Workers Union, Unite Here Local 5; Plumbers and Fitters Union, Local 675; and two private individuals. Your Committee received a written statement and resume from the nominee.

Upon review of the testimony, your Committee finds that this nominee's experience in the construction industry and commitment to service within his profession and the community qualify him for appointment to the Contractors License Board. Your Committee finds that this nominee has learned the construction business from the ground up, graduating with honors from the Hawaii Laborers' Apprenticeship Training Program before taking over his family business, Group Builders, Inc., where he currently serves as Chief

Operating Officer and Responsible Managing Employee. Your Committee notes that this nominee's experience in the construction industry, in addition to his training as a Construction Craft Laborer and current position leading the State's largest finishing contractor company, includes service as the president of construction supply companies and membership in professional organizations including Kalihi Business Association, Oahu Contractors Association, Hawaii Laborers Union Local 368, and Hawaii Wall and Ceiling Industry Association. Your Committee finds that this nominee's broad-based experience in the construction industry will allow the nominee to contribute practical knowledge to the matters before the Contractors License Board.

Your Committee received testimony in support of the nomination of Peter Lee from the Department of Commerce and Consumer Affairs; International Brotherhood of Electrical Workers Local Union 1186; Plumbers and Fitters, Local 675; International Union of Painters and Allied Trades, District Council 50; Building Industry Association of Hawaii; Hawaii Laborers-Employers Cooperation and Education Trust; Ralph S. Inouye Co., Ltd.; Koga Engineering and Construction, Inc.; The Hawaii Laborers' Union; Masons Union, and eleven private individuals. Your Committee received a written statement and resume from the nominee.

Upon review of the testimony, your Committee finds that this nominee's experience in the construction industry, including his experience with labor and management issues, qualifies this nominee for appointment to the Contractors License Board. Your Committee notes that the nominee has held a broad range of positions within the construction industry that have allowed him to gain experience with licensing and regulatory matters, site management, procurement issues, and industry technology. Your Committee particularly notes that the nominee has had the opportunity to observe the proceedings of the Contractors License Board in his current position as Construction Compliance Officer with Hawaii Laborers-Employers Cooperation and Educational Trust and has expressed interest in making the Board a more accessible resource for construction industry professionals. Your Committee finds that this nominee's experience in and knowledge of state and federal regulatory structures for the construction and related industries will be an asset to the Contractors License Board.

Your Committee received testimony in support of the nomination of Jason Polischeck from the Department of Commerce and Consumer Affairs; King & Neel, Inc.; and four private individuals. Your Committee received a written statement and resume from the nominee.

Your Committee finds that this nominee's broad range of construction industry experience that includes work as a licensed tradesperson, manager, supervisor, and owner of a successful construction business qualifies him for appointment to the Contractors License Board. Your Committee notes that this nominee holds multiple industry licenses and certificates including general and specialty contracting licenses and operator certifications representing the full spectrum of Hawaii's construction trades. Your Committee particularly notes this nominee's experience in the field of renewable energy, which gives him first-hand knowledge and expertise in an area that is consistent with the State's commitment to developing a sustainable energy economy. Your Committee further finds that testifiers in support of this nominee all noted his integrity, work ethic, and excellent reputation in his profession.

Your Committee finds that Anacleto "Joey" S. Alcantra, Jr., Peter Lee, and Jason Polischeck have all been nominated for appointment to the Contractors License Board based on their knowledge, experience, and commitment to public service.

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 (Nishihara, Slom).

**SCRep. 1043 Education on S.C.R. No. 145**

The purpose and intent of this measure is to request the Board of Education and Department of Education to work with parent organizations to develop statewide policies for family engagement in public schools.

Your Committee received testimony in support of this measure from the Department of Education, Hui for Excellence in Education, and Hawaii Education Matters.

Your Committee finds that family engagement in public schools is a critical component of student success. Family engagement creates strategies and practices that support learning and greater student academic achievement.

Your Committee requests that the Board of Education and Department of Education work with the Hui for Excellence in Education, Hawaii Education Matters, Hawai'i State Parent Teacher Student Association, and any other interested parent organizations in developing its family engagement policies.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 145 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 1044 (Joint) Education and Economic Development and Technology on S.C.R. No. 80**

The purpose and intent of this measure is to request reports from the University of Hawaii and the Department of Education on:

- (1) Their respective inventory of existing teleconferencing and videoconferencing facilities and equipment; and
- (2) The feasibility of holding at least one Board of Regents or Board of Education meeting, respectively, via videoconferencing or teleconferencing a year.

Your Committees received comments on this measure from the University of Hawai'i Board of Regents.

Your Committees find that teleconferencing and videoconferencing allow for greater participation by faculty, students, and community members in Board of Regents and Board of Education meetings. Your Committees further find that teleconferencing and videoconferencing can significantly reduce the amount of time and money associated with inter-island travel to meetings. Your Committees encourage the Board of Regents and Board of Education to look not just at the challenges but also the opportunities created by conducting meetings via teleconferencing and videoconferencing.

Your Committees have amended this measure by:

- (1) Requesting that the Board of Regents and Board of Education examine the general feasibility of holding Board of Regents and Board of Education meetings, including any community, committee, and subcommittee meetings, rather than the feasibility of holding a minimum of one meeting per year, via teleconferencing or videoconferencing; and
- (2) 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 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. 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, 7. Noes, none. Excused, 3 (Chun Oakland, Solomon, Slom).

**SCRep. 1045 (Joint) Human Services and Ways and Means on S.C.R. No. 150**

The purpose and intent of this measure is to support the Community Services Block Grant program in Hawaii and oppose budget cuts to the program.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations Office of Community Services; Honolulu Community Action Program, Inc.; Hawaii County Economic Opportunity Council; Maui Economic Opportunity, Inc.; Kauai Economic Opportunity, Incorporated; and Catholic Charities Hawai'i.

Your Committees find that the Community Services Block Grant program is administered by the states with the purpose of providing core funding to local agencies to reduce poverty, revitalize low-income communities, and empower low-income families to become self-sufficient. Your Committees further find that the Community Services Block Grant network consists of over one thousand agencies that create, coordinate, and deliver programs and services to low-income Americans. Through the Community Services Block Grant program, local agencies in Hawaii are able to tailor poverty-reduction programs to the unique needs of the State.

Your Committees additionally find that the President of the United States and members of the United States Congress have proposed to cut \$350,000,000 from the Community Services Block Grant program. That equates to a fifty percent funding reduction which will affect a wide variety of programs, including community services, early childhood services, business development, services to the elderly and people with disabilities, employment training, emergency utility assistance, and food assistance. Your Committees also find that the budget cuts to the Community Services Block Grant program will place the most vulnerable members of the community at greater risk.

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 Human Services and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 150, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 150, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 6 (Dela Cruz, English, Espero, Green, Kim, Wakai).

**SCRep. 1046 (Joint) Human Services and Ways and Means on S.R. No. 90**

The purpose and intent of this measure is to support the Community Services Block Grant program in Hawaii and oppose budget cuts to the program.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations Office of Community Services; Honolulu Community Action Program, Inc.; Hawaii County Economic Opportunity Council; Maui Economic Opportunity, Inc.; Kauai Economic Opportunity, Incorporated; and Catholic Charities Hawai'i.

Your Committees find that the Community Services Block Grant program is administered by the states with the purpose of providing core funding to local agencies to reduce poverty, revitalize low-income communities, and empower low-income families to become self-sufficient. Your Committees further find that the Community Services Block Grant network consists of over one thousand agencies that create, coordinate, and deliver programs and services to low-income Americans. Through the Community Services Block Grant program, local agencies in Hawaii are able to tailor poverty-reduction programs to the unique needs of the State.

Your Committees additionally find that the President of the United States and members of the United States Congress have proposed to cut \$350,000,000 from the Community Services Block Grant program. That equates to a fifty percent funding reduction which will affect a wide variety of programs, including community services, early childhood services, business development, services to the elderly and people with disabilities, employment training, emergency utility assistance, and food assistance. Your Committees also find that the budget cuts to the Community Services Block Grant program will place the most vulnerable members of the community at greater risk.

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 Human Services and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 90, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 90, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 6 (Dela Cruz, English, Espero, Green, Kim, Wakai).

**SCRep. 1047 Human Services on S.R. No. 88**

The purpose and intent of this measure is to encourage the Department of Human Services to explore implementation of the My Safe Drawer computer application for foster youth who are transitioning out of the foster care system.

Your Committee received testimony in support of this measure from CGI Technologies and Solutions Inc. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that many young people transitioning out of foster care may not have permanent living arrangements established. Your Committee further finds that former foster youth may lose vital documents during their transition from foster care. Losing these documents may present obstacles when former foster youth apply for jobs, apply to college, or receive medical care.

Your Committee also finds that web-based applications such as the My Safe Drawer application are designed to provide former foster youth with information and support to facilitate a transition to successful independence as an adult.

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. 88 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1048 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 14**

The purpose and intent of this measure is to disapprove of the reset aside of 614.14 acres of former Kulani Correctional Facility lands from the Department of Public Safety to the Department of Defense for a Youth Challenge Academy.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, The Drug Policy Forum of Hawai'i, and two individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources.

On September 9, 2010, the Board of Land and Natural Resources voted to approve the reset aside of 614.14 acres of former Kulani Correctional Facility lands from the Department of Public Safety to the Department of Defense for a Youth Challenge Academy, and related easements.

At the September 9, 2010, Board of Land and Natural Resources hearing, the reset aside of lands to the Youth Challenge Academy generated considerable discussion, and a number of issues were raised, including funding, land tenure, and the size of the facility needed for the Youth Challenge Academy.

Pursuant to section 171-11, Hawaii Revised Statutes, the Governor may, with the prior approval of the Board of Land and Natural Resources, set aside public lands to any department or agency of the State or its political subdivisions for a public use or purpose. The power granted to the Governor to set aside, withdraw, or withdraw and set aside public lands shall be exercised subject to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives or by the majority vote of both, in any regular or special session next following the date of the setting aside or withdrawal.

Your Committee has amended this measure by:

- (1) Requesting the Department of Defense to look to other places on the Big Island to relocate the Youth Challenge Academy;
- (2) Urging the Department of Public Safety to reopen Kulani Correctional Facility at the present site of the Youth Challenge Academy and to rehire the same staff;
- (3) Amending its title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 14, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 14, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1049 Commerce and Consumer Protection on H.B. No. 1520**

The purpose and intent of this measure is to direct the Public Utilities Commission to implement an on-bill financing program for residential electric utility customers to finance purchases of energy efficient or renewable energy devices and systems through their regular electric utility bills.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Blue Planet Foundation; Hawaii Solar Energy Association; Sierra Club, Hawai'i Chapter; and two individuals. Your Committee received testimony supporting the intent of this measure from Hawaiian Electric Company, Inc., and the Public Benefits Fee Administrator. Your Committee received testimony in opposition to this measure from the Public Utilities

Commission and Kauai Island Utility Cooperative. Your Committee received comments on this measure from the Hawai'i Association of REALTORS.

Your Committee finds that on-bill financing is a powerful tool to promote the adoption of energy efficiency and renewable energy technology by overcoming the barrier of up-front costs. Your Committee further finds that there is broad support for the intent of this measure even though stakeholders in the matter may have differences regarding the details of implementation.

Your Committee has amended this measure by:

- (1) Specifying that the Public Utilities Commission shall consider implementing an on-bill financing program;
- (2) Clarifying that all administrative costs of establishing an on-bill financing program shall be paid from the public benefits fee;
- (3) Directing the Public Utilities Commission to seek to address the problem of underinvestment in solar energy and energy efficiency in certain underserved markets when it considers implementing an on-bill financing program;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee finds that the amendments made to this measure address concerns related to the immediate implementation of this measure, which were raised by several stakeholders in the issue. Your Committee further finds that the amendment directing the Public Utilities Commission to investigate the problem of underinvestment in renewable energy in certain markets that are currently underserved will make renewable energy and related energy bill savings available to more Hawaii residents.

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. 1520, 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. 1520, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1050 Commerce and Consumer Protection on H.B. No. 1342**

The purpose and intent of this measure is to encourage the deployment of broadband technology statewide by exempting broadband infrastructure improvements from certain permitting requirements and exempting telecommunications utilities from the requirement to replace utility poles when installing new or improving existing telecommunications cables.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii and Hawaiian Telcom. Your Committee received testimony in support of the intent of this measure from the Department of Land and Natural Resources; Office of Environmental Quality Control; Department of Business, Economic Development, and Tourism; Department of Transportation; and Hawaiian Electric Company, Inc. Your Committee received testimony in opposition to this measure from a member of the Maui County Council. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee finds that statewide availability of broadband services is essential to spur investment and innovation in business, education, health care, entertainment, and delivery of public services. Your Committee further finds that in Hawaii, unfortunately, broadband speeds are among the slowest in the nation and broadband infrastructure is insufficient to provide adequate service statewide. Finally, your Committee finds that the exemptions from certain permitting requirements contained in this measure are a critical first step in promoting investment in broadband infrastructure in Hawaii.

Your Committee has amended this measure by:

- (1) Specifying that the upgrade or replacement of an existing utility pole is not mandatory if that utility pole is used to install or improve telecommunications cables and is subject to safety and engineering requirements in addition to other requirements;
- (2) Specifying that the upgrade or replacement of an existing utility pole is not mandatory if that utility pole is used to install or improve telecommunications cables and the overall weight load on that utility pole does not exceed safe weight capacities established by the Public Utilities Commission;
- (3) Authorizing a public utility to recover prudently incurred costs related to activities necessary to accomplish the purpose of this measure; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1342, 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. 1342, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1051 Commerce and Consumer Protection on H.B. No. 747**

The purpose and intent of this measure is to remove the definition of "convenience minimarts" from section 281-31, Hawaii Revised Statutes.

Your Committee finds that the definition of "convenience minimarts" is surplus language and should be excluded from the relevant statute. Your Committee notes that section 1-14, Hawaii Revised Statutes provides that "[t]he words of a law are generally understood in their most known and usual signification, without attending so much to the literal and strictly grammatical construction of the words

as to their general or popular meaning.” Your Committee finds that the term “convenience minimart” is a generally understood term with a common popular meaning. Therefore, your Committee further finds that inclusion of its definition in the statute is unnecessary.

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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 747, 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. 747, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1052 Commerce and Consumer Protection on S.C.R. No. 134**

The purpose and intent of this measure is to request that a working group be convened to investigate the creation of a locally-focused, Hawaii-based stock exchange.

Your Committee received testimony in support of this measure from Maui Venture Consulting, LLC; Archinoetics; Commonwealth Group, Inc.; Hawaii Venture Capital Association; and five private individuals.

Your Committee finds that there are substantial funds held by persons in this State that may be available to support and sustain capital investment for competent enterprises operating in a wide-array of industries. However, your Committee also finds that potential investors and enterprises have difficulty finding each other and establishing sufficient trust to enable meaningful investment relationships. Your Committee further finds that a locally based stock exchange would create a regulatory system that promotes local investment in local businesses by establishing standards for investors and listed enterprises to ensure transparency and foster confidence in the investment process.

Your Committee finds that a working group to investigate this issue is appropriate because the local exchange proposed for investigation by this measure is an innovative concept that involves the participation of a diverse group of actors with varied interests, including private enterprises, investors, and state and federal government regulators. Your Committee notes that similar entities have been proposed in the past but have not succeeded. Your Committee finally finds that a thorough investigation of the unique needs of Hawaii’s market, the requirements of federal law, and the sufficiency of the State’s regulatory structures to support a local exchange are necessary to ensure that the creation of a local exchange will serve the State’s interests in fostering economic growth and diversification.

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 Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 134, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 134, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 1053 Commerce and Consumer Protection on S.C.R. No. 48**

The purpose and intent of this measure is to urge Congress to support federal legislation prohibiting health insurers from denying coverage to victims of domestic violence on the grounds that it is a pre-existing condition.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai‘i.

Your Committee finds that although domestic violence affects women and men of all ages and all socio-economic classes, women make up a disproportionately large number of victims and are more likely to experience complicating factors such as financial dependence on their abusers. Your Committee also finds that while Hawaii and forty other states prohibit discrimination against survivors of domestic violence in insurance coverage, the federal government has not followed suit. Therefore, Hawaii’s antidiscrimination law does not apply to Hawaii residents who are covered under insurance policies that are governed by the federal Employee Retirement Income Security Act.

Your Committee finds that without specific protections in place, insurance companies often deny, refuse to renew, or cancel insurance policies and benefit plans of domestic violence survivors on the grounds that domestic violence is a pre-existing condition. The risk of losing important insurance benefits may serve to discourage domestic violence survivors from reporting abuse or seeking medical treatment. Your Committee further finds that federal legislation to prohibit insurance discrimination against survivors of domestic violence will remove a formidable barrier that prevents survivors from reporting abuse, seeking help, and ultimately escaping abusive situations.

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. 48 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 1054 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 167**

The purpose and intent of this measure is to request the Civil Defense Division of the Hawaii Department of Defense to work with the Civil Defense Agency of the County of Hawaii, the Department of Emergency Management of the City and County of Honolulu,

the Civil Defense Agency of the County of Kauai, and the Civil Defense Agency of the County of Maui to evaluate the appropriateness of tsunami evacuation sites in each of the counties of the State.

Your Committee received testimony in support of this measure from the State Department of Defense and six individuals.

The evaluation proposed under this measure is intended to assess evacuation sites' elevation, distance from the shoreline, proximity to gas lines or other potentially hazardous infrastructure, vulnerability to the effects of a tsunami or related disaster such as wind damage, flooding, and inundation with debris, and include recommendations for improving tsunami evacuation sites.

According to the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization, areas less than twenty-five feet above sea level and within one mile of the shoreline are at greatest risk of damage including inundation, contamination of drinking water, fires from ruptured gas lines or tanks, and destruction of structures. During the tsunami warnings issued on March 10th and 11th of 2011, many residents in the State's evacuation areas were directed to evacuation sites that were located close to shorelines and in flat, low-lying areas. When major damage or loss of life is avoided, a natural disaster experience provides an important opportunity to review emergency procedures and preparedness plans.

Your Committee has amended this measure by:

- (1) Amending its title to accurately reflect its contents; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 167, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 167, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1055 Public Safety, Government Operations, and Military Affairs on S.R. No. 103**

The purpose and intent of this measure is to request the Civil Defense Division of the Hawaii Department of Defense to work with the Civil Defense Agency of the County of Hawaii, the Department of Emergency Management of the City and County of Honolulu, the Civil Defense Agency of the County of Kauai, and the Civil Defense Agency of the County of Maui to evaluate the appropriateness of tsunami evacuation sites in each of the counties of the State.

Your Committee received testimony in support of this measure from the State Department of Defense and six individuals.

The evaluation proposed under this measure is intended to assess evacuation sites' elevation, distance from the shoreline, proximity to gas lines or other potentially hazardous infrastructure, vulnerability to the effects of a tsunami or related disaster such as wind damage, flooding, and inundation with debris, and include recommendations for improving tsunami evacuation sites.

According to the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization, areas less than twenty-five feet above sea level and within one mile of the shoreline are at greatest risk of damage including inundation, contamination of drinking water, fires from ruptured gas lines or tanks, and destruction of structures. During the tsunami warnings issued on March 10th and 11th of 2011, many residents in the State's evacuation areas were directed to evacuation sites that were located close to shorelines and in flat, low-lying areas. When major damage or loss of life is avoided, a natural disaster experience provides an important opportunity to review emergency procedures and preparedness plans.

Your Committee has amended this measure by:

- (1) Amending its title to accurately reflect its contents; 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 Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 103, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 103, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1056 Commerce and Consumer Protection on Gov. Msg. No. 535**

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 535 CARL D. JOHNSEN, for a term to expire 6-30-2015.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs and Hawaii Automobile Dealers' Association. Your Committee received a written statement from the nominee.

Upon review of the testimony, your Committee finds that this nominee has extensive business and management experience that qualifies him to serve as a representative of the public on the Motor Vehicle Industry Licensing Board. Your Committee notes that the nominee has managed and supervised the development of commercial real estate for over thirty years as a high-level manager for large statewide companies and as a business owner. Your Committee also finds that this experience in a regulated industry has afforded the nominee first-hand insight into the State's regulatory system. Your Committee further finds that the nominee's long-standing ties to business statewide will allow him to represent the interests of many of Hawaii's residents. Finally, your Committee finds that this



nominee has been nominated for appointment to the Motor Vehicle Industry Licensing Board based on his knowledge, experience, and commitment to public service.

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 (Nishihara, Slom).

**SCRep. 1057 (Joint) Commerce and Consumer Protection and Health on H.B. No. 1053**

The purpose and intent of this measure is to amend the requirements for licensure of dental hygienists to include passage of the National Dental Hygiene Examination.

Your Committees received testimony in support of this measure from the Board of Dental Examiners.

Your Committees find that Hawaii, like every other state in the country, already requires passage of the National Dental Hygiene Examination through administrative rules adopted by the Board of Dental Examiners. Your Committees also find that including this requirement in the statutes governing licensure for dental hygienists will increase transparency and clarity for license applications.

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 Commerce and Consumer Protection and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1053, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1053, 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, 6. Noes, none. Excused, 4 (Chun Oakland, Galuteria, Green, Solomon).

**SCRep. 1058 (Majority) Commerce and Consumer Protection on H.B. No. 235**

The purpose and intent of this measure is to authorize the creation of and establish policies and procedures for the governance of sustainable business limited liability companies.

Your Committee finds that under general business principles, the ultimate purpose of a business enterprise is to pursue profit. Your Committee further finds that this purpose may prevent entrepreneurs and investors from achieving their own goals of establishing and investing in private enterprises that additionally serve social or environmental purposes. Your Committee finds that several other states have responded to market demand for opportunities to pursue good corporate citizenship by authorizing the formation of business entities for reasons other than a pure profit motive.

Your Committee notes that the status as a sustainable business limited liability company authorized by this measure is a voluntary designation that preserves the private nature of businesses that choose it and relies on the governing structure of the company itself for enforcement. Finally, your Committee finds that authorizing the formation of sustainable business limited liability companies in this State will help to diversify Hawaii's economy by attracting entrepreneurship and investment in innovative businesses and emerging industries.

Your Committee has amended this measure by:

- (1) Amending its language to comply with the requirements of the Uniform Limited Liability Company Act as codified by chapter 428, Hawaii Revised Statutes; 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 235, 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. 235, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 3 (Galuteria, Green, Solomon).

**SCRep. 1059 Commerce and Consumer Protection on Gov. Msg. Nos. 537, 538 and 539**

Recommending that the Senate advise and consent to the nominations of the following:

REAL ESTATE COMMISSION

G.M. No. 537 ROWENA COBB, for a term to expire 6-30-2015;

G.M. No. 538 NIKKI SENTER, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM575); and

G.M. No. 539 AILEEN WADA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Rowena Cobb, Nikki Senter, and Aileen Wada to possess the requisite qualifications to be nominated to the Real Estate Commission.

Your Committee received testimony in support of the nomination of Rowena Cobb from the Department of Commerce and Consumer Affairs, Hawai'i Association of REALTORS, and eight private individuals.

Upon review of the testimony, your Committee finds that this nominee has extensive experience in several facets of the real estate industry which qualifies her for appointment to the Real Estate Commission. Your Committee notes that this nominee has long been involved in service to her profession as a member of the Executive Board of the Kauai Board of Realtors, and Chair of the Government Affairs Committee and Standards and Forms Committee of the Hawai'i Association of REALTORS. Your Committee further notes that in her positions chairing committees of the Hawai'i Association of REALTORS, the nominee has had the opportunity to work closely with policymakers and regulators and to gain experience with and insight into the State's regulatory system. Your Committee also finds that this nominee's professional experience will enable her to share her perspective as a first-hand practitioner and a policy leader in the profession.

Your Committee received testimony in support of the nomination of Nikki Senter from the Department of Commerce and Consumer Affairs and nineteen private individuals.

Upon review of the testimony, your Committee finds that this nominee's professional experience in real estate law qualifies her to serve effectively on the Real Estate Commission. Your Committee notes that, in addition to almost a decade in the practice of law, this nominee has served since 2008 as a Condominium Consultant to the Real Estate Commission and as a Certified Continuing Education Instructor to real estate licensees. Your Committee also finds that this experience has allowed the nominee to work closely with the Real Estate Commission and to develop insight into the State's regulatory system from the perspective of a professional in the field and a regulator. Your Committee further finds that this nominee's practical experience and enthusiasm for service will be an asset to the Real Estate Commission.

Your Committee received testimony in support of the nomination of Aileen Wada from United States Senator Daniel K. Akaka; Department of Commerce and Consumer Affairs; Hawai'i Association of REALTORS; Prudential Locations, LLC; Herbert K. Horita Realty, Inc.; and fifteen private individuals.

Upon review of the testimony, your Committee finds that this nominee has been a licensed real estate professional since 1978 and has been frequently recognized by her industry peers and clients for her outstanding professional performance. Your Committee notes that this nominee's first-hand experience in the real estate industry will serve the Real Estate Commission well by providing a perspective on the real-world application of relevant laws and policies. Your Committee also notes that testimony submitted in support of this nominee by her colleagues and clients spoke unanimously of her strong ethics, integrity, and excellent professional reputation. Your Committee further finds that this nominee's deep professional knowledge and personal character will allow her to serve the Real Estate Commission effectively and to the benefit of the State.

Your Committee finds that Rowena Cobb, Nikki Senter, and Aileen Wada have been nominated for appointment to the Real Estate Commission based on their knowledge, experience, and commitment to public service.

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 (Nishihara, Slom).

**SCRep. 1060 Commerce and Consumer Protection on Gov. Msg. Nos. 528 and 529**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 528 ROBERT KLEIN, for a term to expire 6-30-2015; and

G.M. No. 529 JAMES PLEISS, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM575).

Your Committee has reviewed the personal histories, curricula vitae, and statements submitted by the nominees and finds Robert Klein and James Pleiss to possess the requisite qualifications to be nominated to the State Board of Chiropractic Examiners.

Your Committee received testimony in support of the nomination of Robert Klein from the Department of Commerce and Consumer Affairs, Hawaii State Chiropractic Association, American Chiropractic Association, and three private individuals.

Upon review of the testimony, your Committee finds that this nominee has practiced as a licensed chiropractor for over thirty years and has achieved the highest level of academic credentials awarded by his profession through his pursuit of postgraduate education far beyond that which is required to maintain licensure. Your Committee notes that, in addition to continuing his own professional education, this nominee has also served as an instructor and lecturer in the field on the state and national levels and as an examiner for the national licensing board. Your Committee further notes that this nominee has previously served on the State and National Boards of Chiropractic Examiners and has served his profession throughout his career by actively participating in state and national professional organizations. Your Committee finds that this nominee's deep knowledge of the practice and regulation of the profession of chiropractic will be an asset to the State Board of Chiropractic Examiners.

Your Committee received testimony in support of the nomination of James Pleiss from the Department of Commerce and Consumer Affairs, Hawaii State Chiropractic Association, and four private individuals.

Your Committee finds that this nominee is a respected clinician who has practiced as a licensed chiropractor for over twenty-five years and is one of the few board-certified chiropractic orthopedists in the State. Your Committee notes that this nominee has a long record of service to his profession through almost continuous service on the Executive Board of the Hawaii State Chiropractic Association and seven years of service on the Executive Board of the Maui County Chiropractic Society. Your Committee further notes that this nominee has pursued post graduate education throughout his career, as a student and an instructor; he holds several specialized certifications and, in addition to conducting public education lectures and seminars, has served on the Clinical Sciences

Faculty at Northwestern Health Sciences University. Your Committee further finds that this nominee's professional achievement and record of service to his profession and the public will allow him to serve effectively on the State Board of Chiropractic Examiners.

Your Committee finds that Robert Klein and James Pleiss have been nominated for appointment to the State Board of Chiropractic Examiners based on their knowledge, experience, and commitment to public service.

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 (Nishihara, Slom).

**SCRep. 1061 Commerce and Consumer Protection on Gov. Msg. Nos. 533 and 534**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 533 PETER L. AKAMU, for a term to expire 6-30-2015; and

G.M. No. 534 MATT BRADY, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Peter L. Akamu and Matt Brady to possess the requisite qualifications to be nominated to the Board of Electricians and Plumbers.

Your Committee received testimony in support of the nomination of Peter L. Akamu from the Department of Commerce and Consumer Affairs; Hawaii Laborers-Employers Cooperation and Education Trust; International Union of Painters and Allied Trades, District Council 50; Plumbers and Fitters Union, Local 675; and one individual.

Upon review of the testimony, your Committee finds that this nominee's experience and record of service to his profession qualify him for appointment to the Board of Electricians and Plumbers (Board). Your Committee notes that this nominee has worked as an electrician in various capacities within the construction industry for over thirty years. He currently holds an Electrical Journeyman license and serves as President of Local Union 1186, International Brotherhood of Electrical Workers. Your Committee finds that this nominee's first-hand experience in the trade and as a safety instructor with the Occupational Safety and Health Administration as well as his experience negotiating collective bargaining agreements, assisting union members, and organizing new workers and contractors into the Union make him a particularly well-qualified candidate for appointment to the Board. Your Committee further finds that this nominee's attendance at Board meetings and participation in Board discussions on behalf of his Union's membership have familiarized him with the practices and procedures of the Board.

Your Committee received testimony in support of the nomination of Matt Brady from the Department of Commerce and Consumer Affairs, and two private individuals.

Upon review of the testimony, your Committee finds that this nominee's experience in the plumbing trade, commitment to public service, and commitment to upholding high standards within his trade qualify him for appointment to the Board of Electricians and Plumbers. Your Committee notes that in addition to service on the Executive Board of Local 675, Plumbers and Fitters Union, this nominee has also been a member of the International Association of Plumbing and Mechanical Officials, a professional organization that develops model codes, provides industry education, and conducts a quality-assurance program. Your Committee further notes that this nominee is an instructor in the Plumbing Apprenticeship Program at Honolulu Community College. Your Committee finds that this nominee has demonstrated a strong commitment to promoting quality and safety within his profession through education and regulatory standards that will benefit the Board's operations.

Your Committee finds that Peter L. Akamu and Matt Brady have been nominated to the Board of Electricians and Plumbers based on their knowledge, experience, and commitment to public service.

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 (Nishihara, Slom).

**SCRep. 1062 Commerce and Consumer Protection on Gov. Msg. No. 536**

Recommending that the Senate advise and consent to the nominations of the following:

PEST CONTROL BOARD

G.M. No. 536 RONALD S. WEINBERG, for a term to expire 6-30-2015.

Your Committee received testimony in support of this nominee from the Executive Officer of the Pest Control Board of the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that this nominee for reappointment as a public member of the Pest Control Board has demonstrated a strong commitment to and understanding of his role as a member of this regulatory board. Your Committee notes that the nominee has attended twenty-one of the twenty-three meetings scheduled during his previous term of service with the Pest Control Board and has provided insights from the public's perspective that have been invaluable to the deliberations of the Board. Your Committee further finds that the nominee's more than thirty years as a scientist and experience serving on numerous professional and public boards and committees including the Alameda County Public Health Advisory Board have afforded him technical

knowledge and insight into the workings of the regulatory system. Finally, your Committee finds that this nominee has been nominated for reappointment to the Pest Control 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, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 1063 Commerce and Consumer Protection on H.B. No. 320**

The purpose and intent of this measure is to permit and establish requirements for a licensed real estate broker or sales person to prepare broker price opinions for use in real estate transactions where an appraisal is not required.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS and the Hawaii Chapter of the Appraisal Institute. Your Committee received testimony in support of the intent of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that real estate professionals often estimate the probable sales price of property by analyzing local market information, neighborhood information, and comparable properties. Your Committee further finds that while these broker price opinions are useful tools based on careful analysis of market data, they are not appraisals. Your Committee also finds that the role of a real estate licensee has evolved from that of a traditional listing agent to a role that includes the provision of market-based data to lenders, mortgage companies, mortgage servicers, asset managers, loss mitigation companies, trusts, private equity investors, and hedge funds. In this expanded role, real estate licensees often provide broker price opinions outside of transactions for the sale of property. Your Committee finds that real estate licensees should be eligible for compensation for these professional services.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with language that amends section 466K-4, Hawaii Revised Statutes, to specify, among other things, that a real estate licensee who provides broker price opinions shall not be required to be licensed or certified as a real estate appraiser; and
- (2) Inserting an effective date of upon approval.

Your Committee finds that this measure as amended is the result of collaboration and agreement among stakeholders, including the State's regulatory entity.

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. 320, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 320, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 1064 Commerce and Consumer Protection on H.B. No. 112**

The purpose and intent of this measure is to authorize the Director of Commerce and Consumer Affairs to designate an access organization to oversee public, educational, and governmental access channels on cable television without regard to the Hawaii Public Procurement Code.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Media Council of Hawai'i; 'Olelo Community Media; Akaku: Maui Community Television; Na Leo O Hawaii, Inc.; Americans for Democratic Action/Hawaii; Community Alliance on Prisons; and three private individuals. Your Committee received testimony in opposition to this measure from the State Procurement Office.

Your Committee finds that the Senate has long supported the policy embodied in this measure. Your Committee further finds that the public procurement process is particularly unsuited to the concerns and needs of the community media system because it does not allow for consideration of issues regarding public participation, quality of programming, diversity of viewpoints, and other matters unique to the mission of public access media. In the context of public access media, the procurement process is inefficient, wasteful, and unproductive. Your Committee also finds that this measure empowers the Director of Commerce and Consumer Affairs to exercise sufficient oversight of community media providers and that this function is an appropriate exercise of the Director of Commerce and Consumer Affairs' authority.

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. 112, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 1065 Public Safety, Government Operations, and Military Affairs on H.B. No. 1622**

The purpose and intent of this measure is to require that a state law enforcement memorial be constructed in the Capitol District, preferably on the Diamond Head side of the Kalanimoku Building, and that private funds be solicited and used for the construction of the memorial.

Your Committee received testimony in support of this measure from the City and County of Honolulu Police Department and The Hawaii Law Enforcement Memorial Foundation.

Your Committee finds that this measure is based upon H.C.R. No. 139 (2010), which requested the Department of Accounting and General Services to work with certain concerned parties and state departments to plan and construct the Hawaii State Law Enforcement Memorial on the grounds of the State Capitol. According to testimony of The Hawaii Law Enforcement Memorial Foundation, Foundation has partnered with the University of Hawaii at Manoa, School of Architecture, to design the Memorial. In November 2010, the School of Architecture assembled over 250 architectural students to compete in a contest to design the Memorial. A final design was selected at the end of 2010, and the Foundation has made good progress in raising funds for the memorial.

According to the National Law Enforcement Officers Memorial Fund, as of June 2010, 60 law enforcement officers died or were killed in the line of duty in Hawaii. 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, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1622, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1066 Public Safety, Government Operations, and Military Affairs on H.B. No. 1087**

The purpose and intent of this measure is to delete the language naming the President of the Hawaii Criminal Justice Association as a member of the panel that nominates the members to the Hawaii Paroling Authority.

Your Committee received testimony in support of this measure from the Department of Public Safety and Hawaii Paroling Authority.

Your Committee finds that the Hawaii Criminal Justice Association has not been a functional organization for several years and is accordingly unable to properly function as part of the nominating panel for members of the Hawaii Paroling Authority.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1087, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1067 (Joint) Agriculture and Economic Development and Technology on S.C.R. No. 71**

The purpose and intent of this measure is to request the Department of Agriculture to convene a working group to review the duties and responsibilities of the Agribusiness Development Corporation and make recommendations to improve the Corporation's efficiency and programs to better address current and future agricultural issues.

Your Committees received testimony in support of this measure from the Department of Agriculture, Agribusiness Development Corporation, College of Tropical Agriculture and Human Resources at the University of Hawai'i at Manoa, and Hawaii Farm Bureau Federation. Your Committees received comments on this measure from the Legislative Reference Bureau.

Your Committees find that the Agribusiness Development Corporation was established to facilitate the transition of Hawaii's agriculture industry from sugar and pineapple plantations to a diversity of crops. While the Agribusiness Development Corporation has played an important role in helping Hawaii's agriculture industry evolve and grow, there is a need to review and assess the performance of the Corporation and assess whether it is meeting the present and future needs of Hawaii's agricultural industry.

Your Committees have amended this measure by:

- (1) Adding to the working group a member who has experience in development and management of water irrigation systems;
- (2) Adding to the working group a member who has experience in agricultural land planning, development, and management;
- (3) Requesting that the working group submit any proposals for draft legislation to the Legislative Reference Bureau no later than November 1, 2011; and
- (4) 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 Agriculture and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 71, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 71, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Fukunaga, Tokuda, Slom).

**SCRep. 1068 (Joint) Agriculture and Economic Development and Technology on S.R. No. 44**

The purpose and intent of this measure is to request the Department of Agriculture to convene a working group to review the duties and responsibilities of the Agribusiness Development Corporation and make recommendations to improve the Corporation's efficiency and programs to better address current and future agricultural issues.

Your Committees received testimony in support of this measure from the Department of Agriculture, Agribusiness Development Corporation, College of Tropical Agriculture and Human Resources at the University of Hawai'i at Manoa, and Hawaii Farm Bureau Federation. Your Committees received comments on this measure from the Legislative Reference Bureau.

Your Committees find that the Agribusiness Development Corporation was established to facilitate the transition of Hawaii's agriculture industry from sugar and pineapple plantations to a diversity of crops. While the Agribusiness Development Corporation has played an important role in helping Hawaii's agriculture industry evolve and grow, there is a need to review and assess the performance of the Corporation and assess whether it is meeting the present and future needs of Hawaii's agricultural industry.

Your Committees have amended this measure by:

- (1) Adding to the working group a member who has experience in development and management of water irrigation systems;
- (2) Adding to the working group a member who has experience in agricultural land planning, development, and management;
- (3) Requesting that the working group submit any proposals for draft legislation to the Legislative Reference Bureau no later than November 1, 2011; and
- (4) 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 Agriculture and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 44, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 44, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, Fukunaga, Tokuda, Slom).

**SCRep. 1069 (Joint) Education and Energy and Environment on S.C.R. No. 69**

The purpose and intent of this measure is to request the Department of Education to report on the feasibility of including environmental curricula at each grade level.

Your Committees received testimony in support of this measure from the Hawaii Audubon Society and two individuals. Your Committees received testimony in opposition to this measure from the Department of Education.

Your Committees find that Hawaii's public schools are an ideal setting in which to teach and inspire children about actions necessary to help preserve and protect Hawaii's environment.

Your Committees note that the Department of Education's testimony that environmental education is currently embedded within the Department's standards-based system and General Learner Outcomes.

Accordingly, your Committees have amended this measure by:

- (1) Removing language that requests the Department of Education to report on the feasibility of including environmental curricula at each grade level;
- (2) Adding language that requests the Department of Education to report its progress on the incorporation of environmental curricula into its standards-based system and General Learner Outcomes to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013;
- (3) Amending the title of this measure to reflect its amended purpose; and
- (4) 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 Education and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 69, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 69, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Ihara, Slom).

**SCRep. 1070 (Joint) Education and Energy and Environment on S.C.R. No. 146**

The purpose and intent of this measure is to request the Department of Education to, among other things:

- (1) Conduct a study to assess the average amount of waste produced in Hawaii's high schools; and
- (2) Create a pilot program to reduce the amount of waste produced in all public schools by forty percent by 2025.

Your Committees received testimony in support of this measure from four individuals. Your Committees received testimony in opposition to this measure from the Department of Education.

Your Committees find that as space in Hawaii's landfills becomes scarce, there is an increased need to reduce the amount of solid waste produced in Hawaii's public schools.

Your Committees note that testimony from of the Department of Education described waste reduction studies that have been conducted by the University of Hawaii's Sustainable Saunders Group at Keoneula Elementary School and another at Kalani High School, which is currently in progress. In addition, the Department is in the process of applying for grants to conduct a food waste diversion analysis of a middle school. The Department plans to use the results of these studies to develop an overall strategy to reduce waste in public schools that is ecologically and economically feasible.

Accordingly, your Committees have amended this measure by:

- (1) Removing the language requesting the Department of Education to conduct a study on the average amount of waste produced at Hawaii's public schools;

- (2) Removing the language requesting the Department of Education to create a pilot project to reduce the amount of waste produced in all public schools by forty percent by 2025;
- (3) Adding language requesting the Department of Education to:
  - (A) Compile and summarize the results of all studies on waste reduction in Hawaii's public schools; and
  - (B) Propose strategies, goals, and benchmarks for waste reduction in Hawaii's public schools;
- (4) Amending its title to accurately reflect its amended purpose; and
- (5) 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 Education and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 146, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 146, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Chun Oakland, Ihara, Slom).

**SCRep. 1071 (Joint) Education and Human Services on S.C.R. No. 114**

The purpose and intent of this measure is to request the University of Hawaii System to:

- (1) Examine the feasibility of re-establishing the Advanced Certificate in Gerontology Program;
- (2) Establish a Research Education and Mentorship Program within the Center on Aging to support professors who are conducting aging-related research; and
- (3) Explore ways to build greater capacity at the community college level in developing and training direct-care paraprofessionals, professional caregivers, and family caregivers to meet the needs of the increasing aging population in the State.

Your Committees received testimony in support of this measure from the University of Hawai'i Center on Aging, Executive Office on Aging, and two individuals.

Your Committees find that the number of elderly citizens in Hawaii is increasing at a rate that is faster than the national average. As the number of elderly citizens in Hawaii increases, so does the need for a highly skilled caregiver workforce. Your Committees further find that the University of Hawaii System is the key to helping students and paraprofessionals prepare for careers in caring for and assisting Hawaii's rapidly increasing elderly population.

Your Committees have amended this measure by:

- (1) Making the establishment of the Research Education and Mentorship Program discretionary rather than mandatory;
- (2) Amending its title to reflect the change in the request to the University of Hawaii System; 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 Education and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 114, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 114, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Green).

**SCRep. 1072 (Joint) Education and Tourism and Health on S.C.R. No. 132**

The purpose and intent of this measure is to request the University of Hawai'i at Manoa, in partnership with the Hawai'i Tourism Authority, to undertake an exploratory study evaluating Hawaii's suitability as a climatotherapy tourism destination for atopic disease patients from East Asia.

Your Committees received testimony in support of this measure from the Hawai'i Tourism Authority and six individuals.

Your Committees find that Hawaii's clean air, light humidity, and remote location may offer therapeutic relief to those suffering from atopic dermatitis. Your Committees further find that Hawaii is in an advantageous position to capture a portion of the revenue of the climatotherapy tourism market.

Your Committees have amended this measure by:

- (1) Requesting that the exploratory study include:
  - (A) A determination of the size of the East Asian market for climatotherapy services for atopic disease patients;
  - (B) Identification of enterprises and operators in the State that can provide the climatotherapy services required by patients suffering from atopic disease; and
  - (C) An evaluation of the potential business and health industry needs that may arise from the promotion of Hawaii as a climatotherapy destination for atopic disease patients; and
- (2) 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 Education and Tourism and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 132, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 132, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 5 (Baker, Kahele, Kouchi, Taniguchi, Wakai).

**SCRep. 1073 Education on Gov. Msg. No. 544, 545 and 546**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TEACHER STANDARDS BOARD

G.M. No. 544 LOUISE CAYETANO, for a term to expire 6-30-2014 (Term amended to 6-30-2013 by GM576);

G.M. No. 545 WRAY JOSE, for a term to expire 6-30-2014 (Term amended to 6-30-2012 by GM576); and

G.M. No. 546 BARRY WURST, for a term to expire 6-30-2014.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and find Louise Cayetano, Wray Jose, and Barry Wurst to possess the requisite qualifications to be nominated to the Hawaii Teacher Standards Board.

Your Committee received testimony in support of the nomination of Louise Cayetano from the Governor, Hawaii State Teachers Association, Principal of Mayor Joseph J. Fern Elementary, and three individuals.

Ms. Cayetano attended the University of Hawaii at Manoa and Central Washington State University. She is currently a fifth grade teacher at Mayor Joseph J. Fern Elementary School in Honolulu. Ms. Cayetano previously taught at Laihoku Elementary School and Lanakila Elementary School.

Ms. Cayetano has served as a member of the Hawaii Science Teachers Association and the Executive Board of the Hawaii State Teachers Association. She has also served as a board member of the Alliance for Drama Education and is a member of the Hawaii Epsilon Chapter of Alpha Delta Kappa.

Ms. Cayetano has been successful in working with the University of Hawaii to earn Fern Elementary the technological tools, such as videoconferencing equipment, to allow her students to form partnerships with schools in Samoa and Japan. Ms. Cayetano was also instrumental in bringing the Asian, European, Pacific Language foreign language program to Fern Elementary. Ms. Cayetano is constantly looking for ways to provide her students with broader educational opportunities.

Ms. Cayetano expressed to your Committee that she wishes to serve on the Hawaii Teacher Standards Board because she believes that all students deserve highly qualified teachers who can provide them with the necessary skills to become productive citizens.

As a member of the Hawaii Teacher Standards Board, Ms. Cayetano hopes to help develop a more positive image of the Board. She expressed to your Committee that it is important that the Board foster more connectivity with teachers by engaging in outreach activities such as volunteering to help with school improvement projects.

Your Committee received testimony in support of the nomination of Wray Jose from the Governor, Hawaii State Teachers Association, Moanalua High School, and one individual.

Mr. Jose received his Bachelor of Arts degree and Doctorate in Philosophy from the University of Hawaii. Mr. Jose is currently a Social Studies teacher at Moanalua High School, serving as the Social Studies Department Chairperson from 2002 to 2004. In 2004 Mr. Jose was named the State of Hawaii History Teacher of the Year.

Mr. Jose has also served as a mentor to new and beginning teachers, as well as a mentor to student teachers. He continues to mentor new teachers as a member of the Moanalua High School Professional Development Team. Mr. Jose is a member of many professional and community service organizations, and is deeply involved in professional development as a presenter and participant.

Mr. Jose served as a member of the Hawaii Teacher Standards Board from 2005 to 2007. Mr. Jose expressed to your Committee that during his previous service on the Board, he was involved with moving the Board toward policies that liberalized licensure requirements to assist in the recruitment and retention of instructors for hard-to-fill positions. Mr. Jose stated that he sees his responsibility as a Board member is to "serve as a guardian of high academic and ethical standards for teachers while continuing to provide greater opportunities for teachers to demonstrate qualifications for licensure".

Your Committee received testimony in support of the nomination of Barry Wurst from the Governor, Hawaii State Teachers Association, and seven individuals.

Mr. Wurst attended Maunaolu College and the University of Miami. He received his Master of Arts degree in Special Education from Fairleigh Dickenson University. Mr. Wurst has been a teacher with the Department of Education since 1987 and is currently a special education teacher.

Mr. Wurst is an active participant in several organizations. He belongs to the National Education Association, Association for Advancement of Ethical Hypnosis, and Airline Owners and Pilots Association. He is also a Captain and Aerospace Education Officer in the Civil Air Patrol. Mr. Wurst is also a member of the Maui County Commission for Citizens with Disabilities.

As a certified and licensed teacher and former independent business person, Mr. Wurst brings a diverse background to the Hawaii Teacher Standards Board. Mr. Wurst understands and appreciates the need to focus on quality instruction and increased professionalism among teachers. His years of serving as a faculty representative and chairperson of the Hawaii State Teachers Association Negotiations Committee have given him a unique prospective not only on the needs of teachers but also those of the school administration as well. These experiences will serve Mr. Wurst well as a member of the Hawaii Teacher Standards Board.



When asked to identify his long-term goal as a Hawaii Teacher Standards Board member, Mr. Wurst replied that one long-term goal is to improve the recruitment and retention of highly qualified teachers through greater communication and cooperation among the Board of Education, Department of Education, Hawaii State Teachers Association, and Hawaii Teacher Standards Board. Mr. Wurst's second long-term goal is to ensure that special education teachers are adequately trained.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1074 Education on Gov. Msg. No. 570**

Recommending that the Senate advise and consent to the nominations of the following:

EDUCATION COMMISSION OF THE STATES

G.M. No. 570 J.N. MUSTO, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds J.N. Musto to possess the requisite qualifications to be nominated to the Education Commission of the States (ECS).

Your Committee received testimony in support of the nomination of J.N. Musto from the Governor; University of Hawai'i System; Kapiolani Community College; Leeward Community College; President of the University of Hawaii Professional Assembly; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; National Education Association; ILWU Local 142; Radcliffe & Associates, LLC; and eight individuals.

Your Committee finds that Mr. Musto received a Bachelor of Science degree in Biology from Hillsdale College. Mr. Musto went on to receive his Masters degree and Doctorate of Philosophy from the University of Michigan.

Mr. Musto has a diverse educational employment history. He is currently the Executive Director of the University of Hawaii Professional Assembly (UHPA), a position he has held since 1980. Mr. Musto also served as a secondary school science teacher, an Assistant Professor at Northern Michigan University, a Guest Lecturer at Hawaii Pacific University, and an Instructor at the University of Hawai'i at Manoa.

Mr. Musto belongs to several professional organizations and has served on numerous boards, commissions, and task forces, including the Panel of Mediators for the Hawaii State Judiciary's Center for Alternative Dispute Resolution, Board of Trustees for the Hawaii Employer-Union Health Benefits Trust Fund, National Education Association Higher Education Research Advisory Group, and Hawaii Council on Economic Education. He is a member of the Hawaii P-20 Council which addresses the State's educational interest from early childhood education through higher education. He also serves as a mediator with the Neighborhood Justice Center of Honolulu.

When asked by your Committee what areas Mr. Musto would advocate that the ECS focus on, Mr. Musto responded that he would like to see the ECS' work group on college completion continue to examine how to ensure that students finish college. Mr. Musto stated that it is important that the working group translate its findings into real world policies and practices. Mr. Musto also noted that the ECS should develop a systematic way of communicating with the public on what issues the ECS is working on and its findings thereof. Mr. Musto suggested presentations by the ECS at community meetings such as neighborhood board meetings to accomplish this goal.

By virtue of his training, experience, and knowledge, Mr. Musto is well-positioned and well-prepared to assist the Education Commission of the States in its mission of developing effective policies and practices for public education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1075 (Majority) Ways and Means on H.B. No. 200**

The purpose and intent of this measure is to appropriate funds for the operating and capital improvements budget of the executive branch for fiscal year 2011-2012 and fiscal year 2012-2013.

Your Committee received comments in support of this measure from Russell Kokubun, Chairperson, Department of Agriculture; Richard Burns, State Librarian, Hawaii State Public Library System; Karen Seddon, Executive Director, Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development, and Tourism; Laurence Sombarier, Interim Executive Director, Natural Energy Laboratory of Hawaii Authority; and Brenda Ching, Chair, Hawaii Film & Entertainment Board.

Your Committee received comments in opposition to this measure from Darryll D. M. Wong, Adjutant General, Department of Defense; William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Mark Dannog, Office of the Student Member, Board of Education; Liz Ann Salvador, Chair, and Waynette K.Y. Cabral, State Council on Developmental Disabilities; and Ann Higa, Chief Operating Officer, Opportunities and Resources Inc.

Your Committee received comments from Amy Asselbaye, Chief of Staff, Office of the Governor; Lt. Governor, Office of the Lieutenant Governor; Rodney Maile, The Judiciary; David M. Louie, Attorney General, Department of the Attorney General; Kalbert K. Young, Director, Department of Budget and Finance; Richard C. Lim, Director, Department of Business, Economic Development,

and Tourism; Patricia McManaman, Director, Department of Human Services; Bruce A. Coppa, Comptroller, Department of Accounting and General Services; Dwight Y. Takamine, Director, Department of Labor and Industrial Relations; Sunshine P. W. Topping, Director, Department of Human Resources Development; Glenn Okimoto, Director, Department of Transportation; MRC Greenwood, University of Hawaii System; Kathryn S. Matayoshi, Superintendent, Department of Education; Jesse K Souki, Interim Director, Office of Planning, Department of Business, Economic Development, and Tourism; Jodie Maesaka-Hirata, Director, Department of Public Safety; Gary Hooser, Director, Office of Environmental Quality Control; Denise M. Wise, Hawaii Public Housing Authority; Mike McCartney, President and CEO, Hawai'i Tourism Authority; Orlando Davidson, Executive Officer, State Land Use Commission, Department of Business, Economic Development, and Tourism; Alapaki Nahale-A, Chairman, Hawaiian Homes Commission, Department of Hawaiian Home Lands; Anthony J.H. Ching, Executive Director, Hawaii Community Development Authority; Audrey McGauley, Chief Executive Officer, ARC of Maui County; Gretchen Lawson, President and CEO, Arc of Kona; Alicia Maluafiti, Executive Director, Hawaii Crop Improvement Association; Alan Takemoto, Community Affairs Manager, Monsanto Co.; Yuka Nagashima, Executive Director and CEO, High Technology Development Corporation; Stephanie Whalen, Executive Director, Hawaii Agriculture Research Center; Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii; Mike Tamanaha, Vice President, Hawaii Waiver Providers Association; Comfort Security Independence; Rose Nakamura, Administrator, Project Dana; Tim Law, Fat Law's Farm, Inc.; Hawaii Farm Bureau; Paul Groesbeck, Executive Director, Life Foundation; and forty-five individuals.

## I. INTRODUCTION

In 2009, the Legislature faced an unprecedented budget challenge of addressing a shortfall of approximately \$2.1 billion through the end of the fiscal biennium. After adopting a balanced budget and financial plan by session's end, the ensuing 2010 Legislature fared no better and was confronted with an additional budget shortfall of approximately \$1.2 billion over the remainder of the same period.

As we transition into the next fiscal biennium budget cycle, your Committee finds history repeating itself, with a looming shortfall now estimated to be \$1.3 billion through the end of the upcoming fiscal biennium. It is a shortfall that has been exacerbated by the tragedy and continuing nuclear disaster in Japan and political unrest in North Africa.

Nevertheless, your Committee is fortified by the lessons learned over the past two years and by the administration's positive direction as articulated in the Governor's "New Day" initiatives. These include promises to restructure and prioritize state programs. Accordingly, the Governor should prudently use the economic downturn to take a long and hard look at the executive branch's organizational structure. Your Committee stands ready to receive and evaluate his proposals.

However, your Committee notes that the Legislature has struggled with many of the Governor's controversial revenue proposals that are intended to bridge the budget gap. It is clear that public concern and legislative pragmatism will not permit the passage of a number of these measures in the form in which they were originally proposed.

Your Committee's guiding principles for the biennium budget was to first identify and support the State's core functions – those programs and services that the State should be providing – and second to make strategic investments in people and programs that encourage economic growth, lower long-term future costs, and provide meaningful public services.

Your Committee appreciates the efforts of all those who have provided input, including department directors who testified at pre-session briefings, the state employees who fielded hundreds of questions from legislators and staff, and the thousands of engaged citizens who shared with us their thoughts and concerns.

## II. ECONOMIC OUTLOOK

### National Economic Outlook

Although the recession is thought to have ended in mid-2009, the Congressional Budget Office, which produces ten-year economic forecasts for the congressional budget committees, describes the current recovery and pace of growth as "anemic," noting that unemployment has remained high in this recession as payroll employment gained a mere seventy thousand jobs (or 0.06 per cent), on net, between June 2009 and December 2010, whereas in past recoveries, employment rose on average by 4.4 per cent in the same time frame.

The Congressional Budget Office estimates that after continued job losses in the near term, the economy is expected to add 2.5 million jobs per year over the next five years, bringing the unemployment rate down from 9.2 per cent to 5.3 per cent, which is close to the Congressional Budget Office's estimate of the economy's natural rate of unemployment of 5.2 per cent.

President Obama's *2011 Economic Report* reflects the view that the national economy is operating substantially below its potential level, as indicated by the elevated unemployment rate and continued stresses in the housing market in many areas; however, the economy is no longer on the brink of depression, growth has resumed, jobs are returning, and unemployment is falling.

The financial markets have improved as the stock market gained thirteen per cent in 2010 and have continued gaining into 2011. Your Committee recognizes that while the national economy is improving, it is improving at a much slower rate than many expected.

### The Economic Outlook for Hawaii

The University of Hawaii Economic Research Organization reports that "Hawaii's recovery continues to be led by the resurgence of the visitor industry" as evidenced by the 8.8 per cent increase in visitor arrivals year over year. However, the University of Hawaii Economic Research Organization and the Department of Business, Economic Development, and Tourism caution that:

- "The surprisingly rapid pace of visitor industry rebound is unlikely to persist. Abroad, the sharp initial Asian pickup is now past, while rising energy prices and sovereign debt problems will weigh on growth elsewhere." DBEDT forecasts a more modest four per cent and 2.5 per cent increase in visitor arrivals for 2011 and 2012, respectively.

- “After improving from 6.9 per cent in January to 6.3 per cent in June, the seasonally adjusted statewide unemployment rate has remained stuck at 6.4 per cent through December 2010.” However, UHERO sees broad based improvements in the economy for 2011 and 2012 as Hawaii’s recovery strengthens and Oahu rail transit construction gets underway.
- “Hawaii’s economy depends significantly on conditions in the U.S. economy and key international economies, especially Japan.” Although the effects of the March 2011 earthquake, tsunami, and nuclear crisis in Japan are unknown, global events and their ensuing repercussions have altered Hawaii’s economic forecast in recent decades including the 9/11 terrorists attacks in 2001, SARS in 2003, and the H1N1-A virus in 2009.

### III. GENERAL FUND REVENUE OUTLOOK

By law, the Council on Revenues (Council) 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. Since the March 2010 forecast, the Council has both raised and lowered its prediction of tax revenues for the current fiscal year. The Council’s most recent forecast on March 29, 2011, lowered the growth rate to -1.6 per cent. The erratic changes in the Council’s forecasts have hindered your Committee’s ability to formulate a functional budget as appropriation requests are largely based on original revenue projections that are no longer viable.

The administration based its original budget request on the Council’s September 2009 projection of two per cent general fund tax revenue growth for fiscal year 2011. Using this revenue projection, the budget deficit over the upcoming biennium was initially estimated at \$818.5 million.

On December 29, 2010, the Council revised its forecast upward from two per cent to three per cent, resulting in an anticipated gain of \$146.6 million in tax revenue through the end of the fiscal biennium. Incredulous that such an increase in revenue would materialize, neither the administration nor this Committee relied upon it.

On March 10, 2011, the Council revised its forecast downward from three per cent to 0.5 per cent, which resulted in a subsequent projected revenue reduction of \$243 million through the end of the fiscal biennium. Hours later, Japan was struck by a trifecta of disasters -- the 9.0 magnitude earthquake, deadly tsunami, and nuclear calamity. The disasters were unimaginable, devastating the Japanese people, causing unprecedented damage, and crippling Japan’s economy.

Given Japan’s significant share in the State’s tourism market, the Council was called back into session and convened on March 29, 2011, to re-evaluate its March 10, 2011, meeting projection in anticipation of declining numbers of Japanese visitors.

Although the Council lowered the projection to -1.6 per cent, which resulted in an additional revenue loss of \$93.1 million for fiscal year 2011 alone, and a loss of \$311.7 million through the end of the fiscal biennium, the Council adjustment was due more in part to poor tax collections in February 2011 than the tragic events in Japan. In fact, some of the Council members noted that they did not see the events in Japan as having long-term effects on the State’s economy.

With the revised revenue levels, a net \$1.3 billion deficit is projected over the biennium. However, despite the downward revenue projections for the current fiscal year, the Council retained its March 10 revenue growth forecast for fiscal year 2012 of eleven per cent and maintained the previous forecast for fiscal years 2013-2017 at six per cent. The forecast was rationalized by the Council Chair’s optimistic statements that the two most important core components of Hawaii’s general fund revenues, general excise and use taxes and withholding taxes on wages, continue to grow at rates consistent with economic recovery.

Given the global and economic uncertainties and the recent volatility in the Council’s projections, it is with great caution that your Committee receives the Council’s current revenue projection and notes the significant downside risk that exists for the revenue growth assumptions for the planning period.

### IV. BUDGET OVERVIEW

The budget deficit through the end of the next biennium is now estimated to be \$1.3 billion. This follows two consecutive years that have required state government to address shortfalls of \$2.1 billion and \$1.2 billion, respectively. These are momentous sums, given that current year authorized spending for the executive branch of government is approximately \$5 billion.

Various measures were implemented to address the prior budget shortfalls. These started with wholesale reductions of up to twenty per cent of what was deemed discretionary spending and the use of American Reinvestment and Recovery Act of 2009 (ARRA) funds to supplant general fund spending.

As the revenue picture further deteriorated, the Governor implemented across the board spending restrictions equivalent to the savings that three furlough days per month would yield. Departments met these required savings targets most notably through the implementation of two furlough days per month. A reduction in force of approximately one thousand state workers, the reduction of vacant positions, and a number of other measures were utilized to further reduce state spending.

This legislative session, the executive budget initially proposed to the Legislature was principally prepared by the prior administration. At the program level, it basically sought to maintain spending levels of the current fiscal year. Of the budget adjustments it proposed, several were significant. The initially proposed budget recognized the loss of ARRA funds, the significant Medicaid shortfall, and higher debt service payments. Amounts previously reduced to reflect furlough savings were also restored, reflecting uncertainty of the labor savings component. These adjustments, largely non-discretionary in nature, resulted in a request to add \$624.9 million for fiscal year 2011-2012 and \$810.6 million for fiscal year 2012-2013.

On February 22, the new administration submitted a request to add an additional \$133.8 million for fiscal year 2011-2012 and \$160.3 million for fiscal year 2012-2013. This includes about \$100 million over the biennium to address immediate needs of state programs as determined by the new administration, \$54.3 million per year for Employer-Union Health Benefits Trust Fund payments, \$49.5 million per year for the Temporary Assistance for Needy Families Program, \$13.2 million per year to address Medicaid needs related to the Compact of Free Association, \$36.8 million for fiscal year for a deferred employee retirement system (ERS) payment, and the reduction of \$75 million over the fiscal biennium for Medicaid to reflect the scaling back of benefits.

The House of Representatives passed a draft of the budget that:

- (1) Accepted the initially proposed budget adjustments;
- (2) With the exception of adding \$36.8 million for a delayed ERS payment, rejected the adjustments proposed under the February 22 Governor's Message; and
- (3) Made lump-sum reductions to most state programs amounting to approximately \$120 million.

Your Committee's draft of the executive budget is premised upon the need to maintain a significant labor savings component of the budget that minimally realizes the same level of savings assumed for the current fiscal year. To be clear, this draft of the budget does not require an extension of the furloughs that have impacted government services. Indeed, your Committee expects those currently negotiating collective bargaining agreements to find creative solutions that yield savings and allow government to maintain programs that are in great public demand.

In addition, your Committee understands the importance of educating Hawaii's children and has restored the funding needed to maintain the current level of instructional days for students. The funding provided in this draft assumes that collective bargaining negotiations will yield an agreement that resembles the one currently in place.

Your Committee recognizes that a considerable component of labor cost is health insurance. Though the new administration proposed an additional \$54.3 million per year to allow the State to pay sixty per cent of health insurance premiums, your Committee reduced this request by \$30.5 million per year to reflect an employer/employee split of fifty per cent of health insurance premium costs borne by the State.

Your Committee also reduced by half the new administration's request for an additional \$100 million over the biennium to meet immediate needs of state departments. Though your Committee accepts that many state programs are operating with skeleton crews and minimal resources, the current revenue picture has required a close evaluation of these requests and the exercise of constraint.

Clearly, resources provided for state programs have significantly declined over the past two years. However, it is also clear that declining revenue projections will necessitate further spending restrictions. Thus, your Committee has reduced \$30.3 million budgeted per year for positions that are currently vacant. These reductions are based largely on the amount of funds currently authorized for vacant positions by program and allow agencies the flexibility to prioritize spending and hire personnel that may be in critical need. Additionally, no reductions were made to certain programs, such as the plant quarantine program and the state library system, that have broad impact to our economy and quality of life.

Your Committee's adjustments to the executive budget have resulted in the reduction of \$277.3 million for fiscal year 2011-2012 and \$376.9 million for fiscal year 2012-2013 from amounts requested by the administration. This is a reduction of about \$654.2 million over the fiscal biennium, or about half the amount needed to close the budget gap. It is without doubt that the financial health of the State cannot be restored through spending cuts alone.

## V. DEPARTMENT HIGHLIGHTS

### Human Services

The prolonged economic recession has fostered exponential growth in the demand for social services. Your Committee recognizes the importance of providing core services to individuals and families in need and remains committed in its support of the Department of Human Services' efforts to deliver assistance to Hawaii's vulnerable populations.

The department faces several challenges in providing social services to the State's needy populations under the current fiscal constraints. The reduction-in-force (RIF) eliminated three hundred sixty-five positions across the department, creating backlogs and limiting contract oversight in a number of programs.

As health care costs continue to rise and enrollment levels climb, closing the Medicaid shortfall remains a daunting task. The MedQUEST Division has accommodated a twenty-five per cent enrollment increase while managing a forty per cent staff reduction and twice monthly furloughs. These economic straits are further exacerbated by carry-over deficits from the previous administration's short-sighted delayed payment strategies.

Medicaid plays a vital role in the lives of more than twenty per cent of Hawaii's residents. In an effort to continue delivering needed medical services to Hawaii's vulnerable population, your Committee provided an additional \$248.2 million in fiscal year 2011-2012 and \$288.2 million in fiscal year 2012-2013, which will be matched with federal dollars, to fund health care payments for Medicaid beneficiaries.

However, in prior years your Committee has cautioned the department on the fiscal limitations of the general fund and the risks Medicaid expansion would create. Unfortunately, the department's failure to make timely reductions has resulted in the need for dramatic benefit changes to ensure funds remain available for critical medical services.

Your Committee has accepted the Governor's proposal to save \$150 million over the next fiscal biennium by reducing Medicaid benefits. Indeed, this marks a crossroad for many beneficiaries who have grown accustomed to unlimited services, no co-pay, no premiums, and zero deductibles. Unfortunately, with the increased demand for government subsidized health care and anticipated decrease in the federal medical assistance (FMAP) percentage reimbursements, these types of plans are unsustainable.

Your Committee finds that leveraging state funds to bring in substantial federal matching funds to mitigate state costs is fiscally prudent. As such, your Committee agreed to \$70,400 in general fund expenditures to implement the Electronic Health Record Incentive Program, which will receive \$668,232 in federal matching funds.

The modernization of Hawaii's information systems is pivotal to the department's ability to deliver services and generate increased access among Medicaid beneficiaries. As such, your Committee agrees with the expenditure of \$2.9 million in general funds to receive

\$26.5 million in matching federal funds for a new MedQUEST Division computer-based eligibility system. The new system will help to ease the State's transition into manageable health care and expedite the delivery of services where they are needed most.

Congress enacted the federal Personal Responsibility and Work Opportunity Act in 1996. At that time, the United States government made the decision to no longer extend medical benefits to members of the Compact of Free Association (COFA) and gave individual states the choice to continue Medicaid services to COFA members with the understanding that they would no longer receive federal support for this population. Given Hawaii's unique location and high concentration of COFA members, the decision was made to provide COFA members the same Medicaid packages offered to similarly situated Hawaii residents.

In 2010, the previous administration attempted to achieve cost savings by moving the COFA population to a limited plan entitled, Basic Health Hawaii, which offered limited visits and reduced the types of services available to COFA beneficiaries. On December 13, 2010, a federal court found this change caused irreparable harm to COFA residents and issued an injunction mandating the State to reenroll all COFA members to their original programs, reinstate all benefits, and expedite delivery of services regardless of reenrollment processing.

Your Committee recognizes the immediate effects of this ruling and accepted the Governor's proposal to appropriate \$13.2 million in general funds to reinstate Medicaid benefits to COFA clients for fiscal year 2011-2012. These costs are reflected as federal expenditures for fiscal year 2012-2013. Given the Lieutenant Governor's focus on obtaining federal funds, your Committee believes this is an area that should be his top priority.

Work opportunities and cash assistance for Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) remain priorities in the State's efforts to help Hawaii residents through the economic recession. However, the previous administration's excessive contract expenditures, unfettered spending of ARRA funds, and liberal extensions of cash assistance payments beyond federal guidelines has left the TANF reserve fund insolvent.

Despite your Committee's forewarning of the inevitable expiration of emergency contingency fund extensions, the department failed to reexamine TANF expenditures and maintain sustainable contract levels when reserve funds were still available. Recently, nonessential contracts amounting to \$33 million were notified of early termination in January of 2011, and emergency appropriations were necessary to meet the department's remaining commitments for the current fiscal year.

The department has implemented the reduction of low priority contracts and has prioritized available funds for important purpose one and two services. These services provide Hawaii's residents with the opportunity to become self-sufficient. As such, your Committee has provided \$37.1 million for TANF programs in fiscal year 2011-2012 and \$23 million for TANF and TAONF cash assistance payments over the fiscal biennium. Your Committee notes that the funds for the A plus program will be appropriated directly to the Department of Education.

The dire economic conditions of the last few years increased the amount of Hawaii's residents living below federal poverty levels from five per cent in 2007 to over nine per cent in 2010. Shelters across the State are at capacity and are forced to turn away many of Hawaii's homeless. To support the Governor's efforts to extend services and shelter accommodations to the growing levels of homeless, your Committee has approved \$1.5 million for shelter support contracts and the addition of three new shelters in Maui, Waianae, and Kona.

In addition, the Preschool Open Doors Program offers TANF recipients a means of providing children with educational opportunities while parents work towards self-sufficiency through state subsidies. Early childhood education plays an integral role in the development of Hawaii's youth, and affordable childcare allows many parents to engage in work opportunities. To support the valuable services the program offers, your Committee has provided \$2 million in subsidy assistance.

#### Health

Your Committee recognizes the importance of prioritizing health and safety. The Department of Health lost three hundred fifteen positions in the recent RIF. As a result, the programs and their contracted service providers have operated with significantly less resources. This loss is compounded by the anticipated decrease in the FMAP reimbursements that have assisted several programs in this tough economic climate. Mental health and developmental disabilities programs have been hit especially hard by prior budget reductions and will be greatly affected by the impending FMAP decrease. A Child and Adolescent Mental Health Division Program has already closed for lack of funding, leaving Hawaii County with no community-based residential program.

Many other programs are also on the cusp of closing and cannot endure further reductions. The Developmental Disabilities Division has had to impose a fifteen per cent reduction on its service providers, which has caused concern of another federal lawsuit if funding is not ultimately restored. Your Committee is aware of the dire situation these programs are in and has provided the following support in accordance with corresponding FMAP reductions:

- \$3.3 million for fiscal year 2011-2012 and \$3.4 million for fiscal year 2012-2013 for the Adult Mental Health Division;
- \$2.4 million for fiscal year 2011-2012 and \$2.5 million for fiscal year 2012-2013 for the Child and Adolescent Mental Health Division; and
- \$9.9 million for fiscal year 2011-2012 and \$11.2 million for fiscal year 2012-2013 for the Developmental Disability Division.

The Early Intervention Program also faces a shortfall resulting from a reduction of Medicaid and Tobacco Settlement moneys. The Early Intervention Program provides services to infants and toddlers under the age of three who have, or are at risk for, developmental delays. Your Committee also understands that reduced funding will result in tighter eligibility criteria and could put the State in noncompliance with federal requirements. As such, your Committee has provided \$2.1 million to fund the program's projected deficit.

The Healthy Start Program provides child abuse and neglect prevention services and promotes child development among high-risk infants and toddlers. Recent reductions to the program resulted in the elimination of assessment capacity and home visiting services for most of the State. Your Committee acknowledges the importance of reinstating hospital-based assessments and improving intensive home visiting services and has provided \$3 million in special funds from the Tobacco Settlement Special Fund.

Education

Your Committee remains aware of the national embarrassment caused by Furlough Fridays. For the 2009-2010 school year, schools closed seventeen days due to furloughs. While students were able to have a full school year for 2010-2011, furloughs are still taken on non-instructional days and twelve-month employees have thirteen furlough days.

Your Committee recognizes that addressing the deficit cannot come at the cost of educating Hawaii's students. Therefore, your Committee has provided \$60.8 million to maintain the current level of instructional school days at public schools.

Your Committee also supports the department's request to add \$2.1 million to sustain the level of contracted nursing services for Individuals with Disabilities Education Act and Section 504 eligible students. Due to budget restrictions, the Department of Health ceased providing these direct services for eligible special needs students in July 2010. Your Committee has approved the conversion of forty educational assistants from temporary to permanent status to alleviate the high turnover rate and difficulty in filling these positions.

Although the Legislature implemented the Board of Education's recommended reduction to categorical programs last year, your Committee recognizes the significance of continuing the services provided by Families for R.E.A.L. and the Challenger Center. Each program has demonstrated importance to student achievement.

While agreeing with some of the department's budget recommendations, your Committee is concerned by the department's apparent reluctance to effectively address student transportation contract costs. The cost to provide student transportation is significant. It has been estimated to be about \$1,000 per regular education rider; whereas, the approximate general fund cost to educate a student is about \$5,500.

Your Committee observes that the appropriation has not covered the actual costs of transportation for several years. Despite continued appeals by your Committee to the department to rein in exorbitant contract costs, the department has allowed the student transportation program to run at a significant deficit, simply utilizing funds from other sources.

Equally troubling is the fact that competition for bus contracts is virtually nonexistent: once a company receives the contract for a route, other companies will not typically compete for that contract. Your Committee finds that the department has allowed the problem to proliferate rather than seek an effective solution.

As such, your Committee does not support the department's request for student transportation contract costs for fiscal year 2012-2013. Your Committee has disapproved the requested \$19.6 million and has further reduced the department's transportation budget by an additional \$22 million for these costs. The remaining appropriation for fiscal year 2012-2013 will allow for the continuation of mandated transportation for qualifying special education students. Your Committee requests that the department complete a comprehensive alternatives analysis to assess various options and evaluate needed service levels to provide meaningful data to address this issue.

It is the intent of your Committee to revisit this issue once the department provides sufficient justification for regular education transportation services.

Furthermore, while your Committee recognizes the department's statutory authority to transfer funds between programs, this authority was granted to the department to provide a certain level of flexibility. It is now apparent that the department has used this authority excessively by using it to expend significant amounts that the Legislature clearly intended for school-based budgeting on other program areas.

While certain circumstances may necessitate the transfer of funds to bridge funding shortfalls or meet unforeseen emergencies, excessive use of this authority may cause your Committee to examine whether the department requires stricter oversight. Your Committee believes the Legislature's appropriation of funds by program clearly indicates legislative intent and that the repeated and seemingly routine transfer of funds between programs is not acceptable.

Charter Schools

Turning its attention to charter schools, your Committee believes in providing comparable funding for charter school students. However, serious concerns persist with how these schools use state funds. While your Committee appreciates improved responsiveness to legislative requests, considerable issues persist.

Over-projection of enrollment numbers remains an issue. The Legislature attempted to counteract the frequent over-projection of enrollment numbers by establishing a charter schools account within the state treasury where any appropriation amount exceeding the verified enrollment amount would be held. For fiscal year 2010-2011, \$3.5 million has already gone into the account since the projected enrollment count originally provided by charter schools exceeded actual enrollment by nine hundred twenty-eight students. Your Committee looks forward to charter schools developing a more consistent method of verifying the projected enrollment counts provided by the individual charter schools.

Your Committee also finds recent events and revelations regarding the Myron B. Thompson Academy tremendously troubling. Hopefully, charter schools understand that, while their operations may be exempt from certain state laws, they are still accountable for the quality of the education provided to their students and for the responsible use and diligent oversight of state funds.

University of Hawaii

Your Committee recognizes the University of Hawaii system is the State's premier institution for higher learning, a leading generator of economic growth and diversification, and a tremendous resource for the State of Hawaii. The University has managed significant budget reductions through enrollment management, offering fewer classes at certain campuses, enlarging the size of classes, hiring lecturers to fill instructional positions, and closing campuses during winter and spring breaks.

Your Committee understands an additional \$51 million is expected to be generated in tuition and fees in fiscal years 2011-2017. These funds have been accumulating, and the University is capable of using them to offset costs normally borne by the general fund. As such, your Committee has reduced the University's general fund budget by \$11 million for fiscal year 2011-2012 only.

With regard to personnel matters of the University, the collective bargaining agreement with the University of Hawaii Professional Assembly calls for the "pay back" of salary reductions implemented for the current fiscal biennium. In addition to adding to salary costs, this results an additional public employer cost of \$1.6 million for fringe benefits for university employees. Your Committee believes that minimally, the University is fully responsible for funding all costs associated with these salary adjustments without reliance on general funds.

Your Committee notes that the current budget request for the collective bargaining costs for the University of Hawaii Professional Assembly are its first opportunity to consider the agreement. Your Committee believes the negotiated collective bargaining agreement may be overly generous, given the larger fiscal context and the State's need to achieve labor savings. Accordingly, your Committee has denied the request to fund additional collective bargaining related costs for fiscal year 2012-2013.

Your Committee understands the University of Hawaii Community Colleges have experienced an unprecedented enrollment growth of thirty-five per cent, while enrollment at the University of Hawaii Hilo has increased by nineteen per cent. In order to meet the increased student demand, your Committee has provided \$6.6 million for the University of Hawaii Community Colleges and \$300,000 for University of Hawaii Hilo to ensure they are able to maintain services and sustain course offerings.

Your Committee recognizes the importance of the John A. Burns School of Medicine in teaching and training high-quality physicians, biomedical scientists, and allied health workers for Hawaii. To better identify costs associated with this program, your Committee has transferred 198.22 positions and \$34.9 million to a separate John A. Burns School of Medicine program ID.

Your Committee acknowledges the significance of Science, Technology, Engineering, and Mathematics to the future of Hawaii. Since ARRA funds, which will no longer be available for the next fiscal biennium, have been used to sustain and grow this legislative priority, your Committee has provided \$2.9 million to improve the overall quality of education and to provide students with world-class analytical and problem-solving skills to prepare them for science, technology, engineering, and mathematics related careers.

Your Committee supports the Academy for Creative Media, which emphasizes cultural and aesthetic values within narrative and storytelling theories and skills and application across multiple platforms of digital media. Your Committee has added \$2.1 million to expand the Academy's film and digital media programs to build capacity for workforce growth and to support the growing needs of industries in defense and dual-use, astronomy, engineering, aquaculture, biotech, and digital media.

Last year, the Legislature supported the Office of Mauna Kea Management by providing funding to develop, implement, and enforce administrative rules governing public and commercial activities on Mauna Kea. Your Committee continues to recognize the importance of preserving and protecting Mauna Kea's unique resources. To this end, your Committee has provided \$1 million to initiate research, continue long-term monitoring programs, and engage in activities necessary to implement and enforce the comprehensive management plan.

Your Committee also recognizes the Na Pua Noeau Program as an important measure to increase educational enrichment opportunities for children in grades kindergarten to twelve, especially for Native Hawaiians, to attend and graduate from the University of Hawaii. Thus, your Committee provided \$290,000 for fiscal year 2011-2012 and \$580,000 for fiscal year 2012-2013, with the understanding that the Office of Hawaiian Affairs will match this funding. This support will assist in providing educational enrichment services to two thousand students throughout the State.

#### Budget and Finance

Fixed costs such as debt service, retirement system, and health benefit payments, comprise one-third of the total State's general fund budget. These components require annual increases based upon assumptions for interest rates, payroll growth, and membership growth, all of which are beyond your Committee's control.

The previous administration restructured debt service to provide immediate savings in prior years. However, this action simply pushed costs into current and future years. Your Committee must provide additional funding to meet higher debt service requirements that have resulted from the prior administration's actions.

The State's contribution to health benefit premiums is determined through collective bargaining. The current Governor's Message requests are based on a 60/40 per cent (employer/employee) split and incorporate rates from the December 2010 bargaining unit agreement. On March of 2011, health benefits premiums increased by approximately eleven per cent. Your Committee has agreed to fund this increase; however, your Committee has adjusted the amount so that employees share this burden equally with the State.

The Department of Budget and Finance struggles to provide even the basic fiscal and administrative services for the State due to a thirty-three per cent position reduction in the Administrative and Research Office and a thirty-six per cent position reduction in the Budget, Program Planning and Management Division. The Treasury Management Branch has likewise had to manage operations with reduced resources. Treasury deposit receipt processing increased from one-day processing to twenty-nine days and Treasury investment pool processing increased from a standard processing time of two months to six months. Your Committee recognizes that the department's current staffing level is not operationally sustainable and has restored needed positions.

Additionally, a combination of a hiring freeze and prior budget reductions has left the Hawaii Employer-Union Health Benefits Trust Fund (Trust Fund) severely backlogged. In December 2010, staff was unable to answer 1,389 incoming calls and had 2,135 unprocessed documents resulting in employees and dependents not being able to go to the doctor or fill prescriptions. The Trust Fund is also in the process of transitioning-in fifteen thousand Hawaii State Teachers Association members and is in need of additional personnel. Your Committee is dedicated to ensuring core services are provided and has added positions to alleviate the backlog for a smooth transition of Hawaii State Teachers Association members.

The Legislature enacted Act 177, Session Laws Hawaii 2007, which authorized the restructuring and relocation of the Public Utilities Commission (Commission) due to increased responsibilities in energy policy reform. In addition, the Legislature authorized and funded additional positions for this purpose. The Commission requested over \$5 million for the renovation and lease of commercial space. However, your Committee has learned of sufficient state-owned space that could be utilized for the Commission and has provided \$250,000 for office space renovation. Your Committee encourages the Commission to work with the Department of Accounting and General Services to obtain state-owned space and provide much needed savings to the State.

The Commission also requested eleven positions pursuant to Act 177 that will enhance the Commission's research capabilities and ability to adapt to changing market environments. Your Committee recognizes the importance of these positions to address significant policy issues facing the State and has provided the requested positions.

In light of Senate hearings that uncovered several instances of the mishandling of money by state agencies, your Committee sees value in hiring a third-party consultant to review the policies and procedures of the state treasury and has provided funding for this purpose.

#### Public Safety

Your Committee continues to support the efforts of the Department of Public Safety to provide secure incarceration for offenders and protection for the State's general population.

The department has faced hiring delays and the inability to fill positions and posts for the operation of a twenty-four-hour facility, which has required it to pull personnel from various posts to staff facilities such as the Kapolei court complex. As such, your Committee recommends the following adjustments:

- Fourteen deputy sheriff positions to staff the Kapolei court complex; and
- \$131,377 for six adult corrections officer positions in the Hawaii Community Correctional Center.

Your Committee understands the importance of maintaining operational vehicles for the transport of prisoners and the performance of other duties. Act 162, Session Laws of Hawaii 2009, eliminated the department's vehicle replacement funds. Since fiscal year 2008, the department has purchased no new vehicles, while the remaining fleet continues to age. Therefore, your Committee has provided \$500,000 for fiscal year 2011-2012 for new motor vehicles.

The level of staffing the Sheriffs Division currently provides to neighbor island courts remains a concern. Your Committee encourages the department to increase their efforts to recruit positions for neighbor islands where staffing levels are currently at minimal levels.

Your Committee appreciates the department's efforts to reduce high overtime costs through the utilization of a program that increases accountability and imposes consequences on habitual abusers. For fiscal year 2011-2012, \$3.5 million is budgeted to continue these efforts. Your Committee notes that this amount represents a reduction from an actual expenditure of \$6.8 million in fiscal year 2009-2010. Your Committee hopes to see continued overtime reduction in the future.

Your Committee recognizes the department's commitment to honor the intent of the Governor to return inmates home from out-of-state facilities, thereby reducing the amount of public dollars sent out of Hawaii. The department noted that a long-term plan for returning inmates is scheduled to be completed by December 2011.

However, your Committee is concerned that despite prodding from the State Auditor, a more proactive and timely approach has not been taken to procure a new contract for out-of-state facilities that will house Hawaii inmates. Without more time allotted for planning and execution, the proper procurement measures cannot be adequately carried out, thus decreasing potential savings for the State. Your Committee looks forward to receiving more information and timely status updates from the department on this matter.

#### Land and Natural Resources

Since 2009, general funds for the Department of Land and Natural Resources have been reduced by twenty-eight per cent. General fund costs were shifted to federal or special funds wherever possible; however, special fund revenues have not increased to adjust for the additional burden. Furthermore, general funds are necessary to provide core activities such as law enforcement, permitting, and regulatory oversight where statutory or program restrictions are placed on the usage of non-general funds.

The department began the implementation of fees at many state parks and facilities to offset costs. However the Division of Conservation and Resources Enforcement (DOCARE) relies almost entirely on general funds. DOCARE has handled budgetary and personnel reductions by drastically reducing services. Patrols are no longer twenty-four hours/seven days a week and have been reduced by twenty per cent. Coverage area has decreased by thirty per cent and enforcement actions, such as arrests, citations, investigations, and inspections, are down by an average of thirty-four per cent.

Your Committee realizes that protecting Hawaii's natural resources is an immense task and the safety of conservation officers is a top priority. As such, your Committee has provided \$500,000 to properly equip officers who are protecting our State's natural resources.

In light of damage inflicted on Keehi Harbor by the March 11, 2011, tsunami, your Committee has provided \$475,000 to the department to clear sunken boats and debris.

The State Historic Preservation Division has been identified as a high risk grantee by the National Park Service and is at risk of losing their federal grant, which comprises thirty per cent of the division's budget. Without federal approval, the State Historic Preservation Division will not be authorized to conduct preservation efforts at national historic sites. Your Committee understands that protecting the State's unique history is important. To this end, your Committee has restored eleven positions to the State Historic Preservation Division through the use of general and special funds. A portion of this addition will reinstate the Burial Sites Program previously absorbed by the Culture and History Branch in 2006.



Agriculture

Your Committee recognizes agriculture as an important component of Hawaii's economy. The forty-four per cent general fund reduction made in fiscal year 2009-2010 severely impacted the Department of Agriculture and resulted in the slow-down of services and discontinuation of several functions. Your Committee is dedicated to promoting self-sufficiency, conserving resources, and preventing the presence of invasive species in our State.

As of January 2011, additional retirements have left the Honolulu International Airport, which accounts for ninety-five per cent of the statewide airport system, with only five to seven plant quarantine inspectors daily. If this trend continues, it is estimated that about ninety per cent of the invasive species will avoid interception and pose a major threat to our State. Your Committee anticipates the lifting of the hiring freeze to fill the twenty-two plant quarantine inspector positions restored by the Legislature last year in the Plant, Pest and Disease Control program. As such, your Committee has shielded the Plant, Pest and Disease Control Program from reductions.

Finally, your Committee continues to support the efforts to reduce general fund costs in these challenging economic times by changing the means of financing for ten positions from general funds to special funds.

Business, Economic Development, and Tourism

The Department of Business, Economic Development, and Tourism is at the forefront of Hawaii's economic recovery. The department provides important services to the State's trade operations and adds to the collective wealth of Hawaii by stimulating local businesses and emerging industries through grant support, research and analysis, and investment opportunities.

The energy industry achieved significant growth and garnered a great deal of attention in recent years. As the nation worked to transition to renewable energy, Hawaii emerged as a model for several states on the implementation of exemplary energy programs. The program's successful solicitation of over \$59 million ARRA energy grants over the last biennium encourages the industry's growth and helps perpetuate Hawaii's commitment to achieve clean energy solutions.

Your Committee remains dedicated in its support of state energy projects and the advances the department has made in working towards the State's goal of seventy per cent clean energy and forty per cent renewable energy by 2030. However, the department should be cautious of imprudent spending of grant funds. The approaching expiration of federal energy grants for fiscal year 2011-2012 will result in a \$12 million reduction in the funds available to energy programs. Your Committee encourages the department to budget appropriately and develop feasible funding alternatives for the upcoming fiscal biennium.

With regard to organizational structure, your Committee notes that the department has a history of reorganizing its staff through the budget. This practice is demonstrative of the department's reluctance to follow proper reorganization procedures that may have contributed to a number of grievances. As such, your Committee has rejected the department's request for those internal transfers that have not been adequately justified. Your Committee finds that the department should perform a comprehensive review of its operations and adopt a formal reorganization plan prior to submitting conforming requests through the budget process.

Taxation

From fiscal years 2008 to 2011, the Department of Taxation has faced numerous reductions amounting to \$5.3 million and 43.5 positions. As a result, the quality of service provided to the public has suffered, including increased wait time for walk-in customers, delayed response to taxpayers under audit, and a forty-nine per cent reduction in call center pick-up rate.

Your Committee understands the increasing needs of the department resulting from the impending transition away from the consulting services of CGI Technologies and Solutions, Inc., while continuing to emphasize modernization and paperless practices. Therefore, your Committee has authorized the creation of nine information technology positions and has provided \$391,424 for fiscal year 2011-2012 and \$531,458 for fiscal year 2012-2013 to assist the department's modernization plan and the transition of programs performed by CGI to the department.

Every five years, by mandate of the Hawaii Constitution, a Tax Review Commission is created to review the State's tax structure and recommend revenue and tax policy. As such, your Committee has provided \$200,000 for the Commission to carry out its appointed duties.

Your Committee also recognizes that, in the current economic environment, finding new ways to generate revenue is a necessity. Therefore, your Committee has provided \$185,000 for the department to contract the services of the Multistate Tax Commission as another source of potential revenue.

Commerce and Consumer Affairs

The Division of Consumer Advocacy, Department of Commerce and Consumer Affairs, represents consumers before the Public Utilities Commission, which regulates rates and services offered by public utility and transportation companies. Eight positions under this office were reduced for vacancy savings for fiscal year 2009-2010. Act 130, Session Laws of Hawaii 2010, appropriated \$634,000 out of the Compliance Resolution Fund for fiscal year 2010-2011 to reinstate these positions. Your Committee has approved continued funding of these positions. In addition, your Committee has provided \$200,000 for consultant services regarding utility, communication, and transportation services.

Your Committee finds that the department utilizes the legal services of the Department of the Attorney General. Therefore, your Committee has provided the department with the spending authority to fully reimburse the Department of the Attorney General for the value of legal services received, estimated at \$600,000. These funds will be transferred to the Department of the Attorney General.

Attorney General

Your Committee recognizes the importance of the Department of the Attorney General in its role as legal counsel for the State of Hawaii. Decreases in personnel and working hours have resulted in delayed responses to client agencies. In addition, reductions to the

litigation fund have negatively impacted the department's ability to effectively fund expert witnesses, which in turn has affected the credibility and quality of the legal representation the State receives in court proceedings.

The Hawaii Criminal Justice Data Center provides federal, state, and local law enforcement with criminal history information. Currently operating with a thirty-four per cent vacancy rate, data quality and system maintenance have suffered due to inadequate staffing. This program will be critical during the 2011 Asia-Pacific Economic Conference, as it is a central source of criminal history information for federal, state, and local law enforcement.

Your Committee is committed to saving general funds by using non-general funds wherever applicable. As such, the Legal Services Division's general fund budget was reduced by using interdepartmental transfers to fund services provided to other departments. The department will be reimbursed as follows:

- The Department of Human Services has agreed to fund two deputies and one temporary deputy for a total of \$324,223;
- The Department of Education has agreed to fund two deputies for \$172,360, in exchange for the Department of the Attorney General funding one deputy at \$87,500; and
- \$220,000 from the Department of Commerce and Consumer Affairs to adjust for a new memorandum of understanding reimbursing the department for services totaling \$600,000.

The transfers save the State \$544,223 in general funds, as the Department of Human Services will be federally reimbursed and the Department of Commerce and Consumer Affairs is special funded through its compliance resolution fund.

#### Accounting and General Services

Your Committee recognizes the Department of Accounting and General Services' struggle to achieve its objectives due to severe personnel reductions. The department has adjusted schedules, work locations, and assignments in order to meet essential operating needs. Information and Communication Services Division personnel were decreased by thirty-six per cent over the past fiscal biennium and sustaining production capabilities is rapidly becoming a crisis.

Your Committee understands the importance of the Information and Communication Services Division to other executive departments and has restored eleven positions to help bring the division's data center back to twenty-four hours/seven days a week operations. With this addition, executive departments can begin to reduce their work backlog and improve services.

Although consumption levels of electricity, water, and sewage fell significantly in fiscal year 2010-2011, rates for these utilities have again increased. In an effort to alleviate these growing costs, your Committee has provided \$1.3 million for fiscal year 2011-2012 and \$700,000 for fiscal year 2012-2013.

Your Committee is concerned over the procurement practices of state agencies, and procurement violations have troubled your Committee for some time. As such, your Committee has authorized and provided funding for five positions to the State Procurement Office. Among those positions are four purchasing specialists, which will enable the State to award and maintain additional contracts in a timely and efficient manner.

#### Transportation

Your Committee supports the Department of Transportation in its oversight and maintenance of the State's airports, harbors, and highways.

Significant reductions for both fiscal year 2009-2010 and 2010-2011 deferred scheduled maintenance projects in the department's Harbors and Highways Divisions. Your Committee recognizes that deferred maintenance in these areas compounds the eventual cost of repair. As such, your Committee has approved an increase in the Highways Division authority to utilize special funds in the amount of \$22.2 million for fiscal year 2011-2012 and \$58.4 million for fiscal year 2012-2013 for special maintenance projects across the State.

Your Committee understands the desire of the department to consolidate the highway programs of Maui, Lanai, and Molokai into a single program. As such, your Committee has approved the department's request to consolidate these highway programs into a single program. This will reduce administrative overhead and facilitate the transfer of funds between the islands.

#### Defense

Budget reductions have resulted in the loss of approximately \$1.3 million in federal matching funds for the Department of Defense. As one of its guiding principles, your Committee recognizes the importance of maximizing federal funds. Accordingly, your Committee has provided \$369,101 in general funds that will net \$4.1 million in matching federal funds for fiscal year 2011-2012 and has provided \$478,202 in general funds with a \$4.1 million federal funds-match for fiscal year 2012-2013. These funds will help to maintain and improve the facilities of the Hawaii National Guard, expand the Hawaii National Guard's distance learning program, assist with the juvenile justice and delinquency prevention program, sustain quality members in the Hawaii National Guard Youth Challenge Academy, and help to sufficiently staff the emergency operating center for the State Civil Defense Division.

The State Civil Defense Division provides important emergency services to the State, including the coordination of private and public authorities, planning and mobilizing rapid response services and recovery efforts, and restoring essential public services. As such, your Committee has provided \$109,101 for fiscal year 2011-2012 and \$218,201 for fiscal year 2012-2013.

Your Committee also recognizes the valuable service and contribution of Hawaii's veterans. In light of these contributions, your Committee has provided \$634,491 for fiscal year 2011-2012 and \$3.2 million for fiscal year 2012-2013, which will be entirely federally reimbursed, for repair and maintenance on all veterans' cemeteries statewide.

#### Labor

Your Committee finds that lack of employer confidence has kept unemployment levels at record highs. On December 17, 2010, President Obama signed the Tax Relief, Unemployment Insurance Reauthorization Act, which extended the Emergency Unemployment Compensation Program through January 3, 2012. This law will allocate \$262.2 million in federal funds to the State and will benefit nearly eighteen thousand of Hawaii's unemployed. Your Committee recognizes the prolonged hardship of long-term unemployment in already difficult times and is supportive of the Department of Labor and Industrial Relations' efforts in garnering federal support to assist the State's displaced workforce.

#### Hawaiian Home Lands

Your Committee supports the Department of Hawaiian Home Lands' efforts to consolidate its programs. Your Committee has approved the department's request to consolidate the Management and General Support for Hawaiian Homesteads Program with the Planning and Development for Hawaiian Homesteads Program. Combining these programs will increase efficiency and the ability to distribute workloads as needed to assist the department's objective of placing native Hawaiians on Hawaiian Home Lands.

Your Committee recognizes that Act 14, Special Session Laws of Hawaii 1995, settled all claims made on behalf of the Hawaiian Home Lands Trust against the State between August 21, 1959, and July 1, 1988. The final \$30 million annual deposit will be received in 2014. Your Committee is concerned that the department has not provided a financial report that outlines how it will cope with discontinuation of the settlement funds. Your Committee believes that the six-year report should account for the drop off in funding and detail the department's plan to ensure that the department is able to meet its long-term objectives.

#### VI. CAPITAL IMPROVEMENTS PROGRAM

Your Committee finds that well-maintained physical infrastructure and state facilities are essential to maintaining a positive business climate and a strong economic foundation, which will ultimately help to support the State's ability to navigate through the current, and any future, precarious economic conditions. Your Committee further finds that to combat the effects of the current recession and experience positive growth, the continued investment in our economy, by various means, is necessary. Your Committee understands that investment in infrastructure and facilities is crucial for short-term economic growth and job creation.

However, your Committee believes that additional and increased investment in education, technology, communications, health care facilities, energy, transportation, and environment, as well as other needs, must also be examined to ensure sustained long-term economic recovery and growth for our State and its residents.

Your Committee finds that the need to invest in local infrastructure to help stimulate direct and indirect job creation is highly critical at this time when the State is experiencing its highest unemployment rate in thirty years. Expediency in the creation and maintenance of local construction jobs, as well jobs for architects, engineers, and other consultants associated with capital projects, will generate more disposable income, which will in turn circulate throughout the State's economy.

Accordingly, the administration's capital improvement program biennium budget, as amended pursuant to subsequent Governor's Messages, provided a total of \$1,476,155,000 for projects funded by general obligation (G.O.) bonds and general obligation reimbursable (G.O.R.) bonds and \$2,678,921,000 for all projects funded by all means of financing. Similarly, your Committee, after carefully considering the current economy along with the proposals, needs, and priorities of the administration and the departments, has provided a total of \$1,645,584,000 for projects funded by G.O. and G.O.R. bonds and \$2,963,448,000 for projects funded by all means of financing.

In exercising fiscal prudence, your Committee has reevaluated the funding for prior appropriated executive budget projects and, as a result, has lapsed funding for several projects in the amount of \$27,144,640. These lapses represent unrequired balances for completed projects, funds for which the administration has denied allotment for various reasons, funds that the departments have indicated are otherwise unnecessary, insufficient, or for projects that are unlikely to be undertaken within the necessary timeframe to avoid standard lapsing, and funds that do not demonstrate the current priorities of the State.

In addition, your Committee has crafted a biennium budget that includes projects that are essential to assist in achieving short-term economic stimulation, as well as projects that will help to stabilize the infrastructure to accommodate for long-term growth. This budget aggressively focuses on funding both crucial and significant capital projects that can be undertaken immediately in fiscal year 2011-2012. Your Committee believes that the funding for the fiscal biennium in fiscal year 2011-2012 will provide an immediate infusion of funds for shovel-ready projects. Because these funds will not lapse for three years, this approach will empower departments and agencies with the ability and greater flexibility to address their current needs and requirements expeditiously.

Accordingly, your Committee believes that increased funding in the first year of the fiscal biennium will allow the State to:

- (1) Address many critical health and safety requirements;
- (2) Reduce current repair and maintenance backlogs throughout several departments;
- (3) Provide jobs for unemployed and underemployed residents; and
- (4) Provide the framework for growth and expansion of services, programs, and facilities.

A continuing concern for the State is to ensure that our keiki are properly educated and employable, which will contribute to the State's long-term economic viability. Investment in our public schools, at all levels, is necessary to help improve, expand, and grow new programs and facilities. However, the continuing need to address the existing and growing backlog of repair and maintenance projects within the Department of Education and the University of Hawaii system is critical. Your Committee has demonstrated its ongoing commitment to reducing and ultimately eliminating these repair and maintenance backlogs over the next six years by appropriating \$71,788,000 for repair and maintenance projects of the Department of Education and \$95,987,000 for capital renewal and deferred maintenance projects of the University of Hawaii system.

Despite repeated efforts to provide increased funding to the Department of Education to address the repair and maintenance backlog, the prior administration had limited the department's ability to implement projects by failing to release the necessary funds. However,

in light of the depressed economy and the current administration's commitment to stimulating the local economy through its New Day Plan, which focuses on the creation of jobs and economic stimulation, as evident in the administration's \$2.6 billion capital improvement plan, your Committee is confident that the funds will be released and projects completed.

In addition, your Committee has provided critical funding for the following:

- (1) The Hawaii Health Systems Corporation:
  - (A) \$32,500,000 in fiscal year 2011-2012 for repair and maintenance projects of the Hawaii Health Systems Corporation; and
  - (B) \$15,000,000 for fiscal year 2011-2012 for an Electronic Medical Records System for all hospitals within the Hawaii Health Systems Corporation;
- (2) \$35,670,000 for fiscal year 2011-2012 and \$55,300,000 for fiscal year 2012-2013 for non-routine repair and maintenance projects of the Hawaii Public Housing Authority to repair and improve affordable public housing facilities throughout the State;
- (3) \$7,800,000 to make critical repairs needed for the damage caused by the March 2011 tsunami.
- (4) \$17,920,000 for the fiscal biennium for grants-in-aid to nonprofit organizations for facilities improvement and expansion. Such assistance is vital, as these nonprofit organizations continue to provide additional services to our residents, in light of the fact that the State may be forced to reduce services due to the current economic climate; and
- (5) Various projects within the Department of Transportation, Department of Defense, Department of Agriculture, Department of Health, and the University of Hawaii, among others, to ensure that matching federal, private, and other funds contributions may be maximized and not lost or forfeited.

Finally, the biennium budget provides funding for various other capital projects that your Committee believes should be included at this time, but that may warrant further discussion as the budget is further refined during the remainder of session to meet the evolving needs and priorities of the State.

#### VII. CONCLUSION

This draft of the budget brings us another step closer toward resolving the severe financial situation we face. The Governor and House of Representatives have each presented proposals that differ greatly from each other and from that of the Senate. Your Committee looks forward to open, honest, and collaborative discourse during the upcoming conference phase of the legislative session so that informed decisions are made in a manner that will best move us through these difficult times. Although this draft is now complete, your Committee remains at the table working on the budget feat. Each and every stakeholder shall have a seat, with the goal of achieving a healthy balance sheet.

In total, this draft of the budget appropriates \$5,426,412,417 in general funds and \$11,027,154,179 in all means of financing for fiscal year 2011-2012 and \$5,538,088,653 in general funds and \$10,884,581,091 in all means of financing for fiscal year 2012-2013. These figures represent reductions of \$277,333,105 in general funds and \$333,664,905 in all means of financing for fiscal year 2011-2012 and \$376,867,010 in general funds and \$437,548,666 in all means of financing for fiscal year 2012-2013 to the Governor's requested budget.

Finally, your Committee has made numerous technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 200, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Dela Cruz, Ryan). Noes, 1 (Slom). Excused, none.

#### **SCRep. 1076 Ways and Means on H.B. No. 300**

The purpose and intent of this measure is to appropriate funds for the operating and capital improvements program budget of the Judiciary for the fiscal biennium beginning July 1, 2011, and ending on June 30, 2013.

Your Committee received comments in support of this measure from W. Tom Mick, Policy and Planning Department Head, The Judiciary, State of Hawaii; Hawaii State Bar Association; Robert D.S. Kim, President, West Hawaii Bar Association; Tom Farrell, Esq., Chair, Family Law Section, Hawaii State Bar Association; Board of Directors of the Mediation Center of the Pacific; Tracey Wiltgen, Executive Director, the Mediation Center of the Pacific, Inc.; Karen K. Kosasa, Associate Director, Department of American Studies, University of Hawaii at Manoa; Alan Rosenfeld, Ph.D., Assistant Professor of History, University of Hawaii-West Oahu; Robert G. Buss, Executive Director, Hawaii Council for the Humanities; and eight individuals.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee is mindful of the importance the Senate Committee on Judiciary and Labor has placed on ending furlough days for the Judiciary and the significant effort it has invested in locating the funds needed to effectuate this goal through economies within the Judiciary budget and other budgets under its purview.

Your Committee concurs that the Judiciary is an agency facing unique circumstances and that furloughs have severely hampered its constitutional mission to provide access to justice and protect constitutional rights and liberties. As such, your Committee has strived to implement many of the findings made by the Committee on Judiciary and Labor.

Your Committee has restored the funding needed to end the furlough of Judiciary employees, amounting to approximately \$8.1 million. Your Committee understands that this is the top priority of the Judiciary. However, the State's deteriorating revenue outlook requires that some method of achieving savings be implemented. Your Committee reduced the budget by \$2.3 million to reflect personnel and other types of savings. Additionally, during the 2010 Regular Session, the Legislature added \$1.3 million for fiscal year 2011 to fund specialty courts and purchase-of-services contracts. Given the current economic climate, your Committee has reduced this amount.

Although the economic outlook is uncertain, your Committee acknowledges that the courts provide various services that reduce recidivism. As such, your Committee has provided four positions to allow Neighbor Island courts to assume responsibility for adult community service sentencing duties currently performed by the Department of Public Safety.

Your Committee has also amended the 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. 300, 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. 300, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 1077 Ways and Means on H.B. No. 400**

The purpose and intent of this measure is to appropriate funds for the operating budget of the Office of Hawaiian Affairs for fiscal years 2011-2012 and 2012-2013.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs and Hardy Spoehr, Executive Director, Papa Ola Lokahi.

Your Committee finds that this measure, as amended by the House Committee on Finance, would reduce state general funds provided to the Office of Hawaiian Affairs by \$98,787 during each fiscal year of the biennium period 2011-2013. Your Committee understands that the Office of Hawaiian Affairs does not oppose the adjustments proposed in this measure, as the decrease has a direct correlation to the continued economic downturn as well as efforts by the State to reduce its significant operating deficit.

Your Committee supports the response by the Office of Hawaiian Affairs that limited resources must be used efficiently in challenging circumstances.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 400, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 1078 (Joint) Agriculture and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on H.B. No. 1230**

The purpose and intent of this measure is to exempt from the county permitting process the construction of low-risk nonresidential agricultural and aquacultural structures, under certain conditions.

Your Committees received testimony in support of this measure from the East Oahu County Farm Bureau; Aquaculture Planning and Advocacy LLC; Oceanic Institute; Hawaii Aquaculture and Aquaponics Association; Hawaii Agriculture Research Center; Kunia Water Cooperative; Deeo Blue Research; Hawaii Cattlemen's Council; Day2 Resources LLC; Analytical Services Inc.; Hawaii Farm Bureau Federation; Island Harvest Inc.; and six individuals. Your Committees received testimony in opposition to this measure from the Department of Planning and Permitting of the City and County of Honolulu, State Fire Council, Honolulu Fire Department, Kauai Fire Department, and Department of Fire and Public Safety of the County of Maui. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that nonresidential agricultural and aquacultural buildings are often required to meet the same county permitting requirements as commercial buildings and buildings used for human habitation. This measure will reduce the start-up and expansion costs incurred by local farmers by allowing the expeditious and efficient construction of small, low-risk, nonresidential structures used for agricultural or aquacultural operations. Farmers will be able to use readily available, low-cost structures to store materials, equipment, and other supplies while also protecting their assets against inclement weather, vandalism, and theft.

Your Committees have amended this measure by:

- (1) Including the raising of animals under the definition of "agricultural" as it relates to operations conducted by certain structures, exempting those structures from county building permitting under this measure; and
- (2) 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 Agriculture and Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1230, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1230, 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, 11; Ayes with Reservations (Kouchi). Noes, none. Excused, 4 (Baker, Chun Oakland, Fukunaga, Tokuda).

**SCRep. 1079 Commerce and Consumer Protection on H.B. No. 1052**

The purpose and intent of this measure is to adopt amendments to provisions of the Insurance Code relating to surplus lines insurance to comply with the federal Nonadmitted and Reinsurance Reform Act of 2010 and to participate in a multistate cooperative to collect and distribute surplus lines insurance premium taxes and fees among compact members.

Your Committee received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the National Association of Professional Surplus Lines Offices, Ltd.

Your Committee finds that this measure will enable the Insurance Commissioner to comply with the federal Nonadmitted and Reinsurance Reform Act of 2010 and participate on behalf of the Insurance Division, in the multi-state effort to regulate issuers of surplus lines insurance policies that cover risks in multiple states and to collect and properly distribute premium taxes. Your Committee further finds that participation in the multi-state effort is authorized under the Nonadmitted and Reinsurance Reform Act of 2010 and is essential for the Insurance Division to be able to continue to collect premium taxes on multistate surplus lines policies which are deposited into the General Fund and presently represent \$10,000,000 annually.

Your Committee has amended this measure by:

- (1) Amending the payment schedule for premium taxes on multi-state surplus lines insurance to require a surplus lines broker to submit payment pursuant to this measure no later than September 15, 2011, for transactions after December 31, 2010, and before July 1, 2011, and payments for subsequent transactions no later than forty-five days after the end of each calendar quarter;
- (2) Adding a new provision directing the Insurance Commissioner to submit recommendations to the Legislature prior to the convening of the 2012 Regular Session for legislation pertaining to and enabling the Insurance Commissioner's full participation in the multi-state effort to regulate surplus lines insurers and collect and distribute premium taxes by the Nonadmitted and Reinsurance Reform Act of 2010;
- (3) Changing its effective date to July 1, 2011, and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the multi-state effort authorized pursuant to the federal Nonadmitted and Reinsurance Reform Act of 2010 is currently being created by the participating states. Therefore, your Committee anticipates that further legislation will be necessary in the future to enable the Insurance Commissioner to fully participate in the multi-state effort once it is implemented in its final form. Your Committee finds that, as the regulator charged with conducting the State's participation in the multi-state effort, the guidance of the Insurance Commissioner will be essential to assist the Legislature in crafting effective future legislation.

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. 1052, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1052, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 1080 Human Services on H.B. No. 739**

The purpose and intent of this measure is to specify that in Community Care Foster Family Homes approved for a maximum of three clients, the primary caregiver must be a Certified Nurse Aide and the substitute caregiver must be a Nurse Aide.

Your Committee received testimony in support of this measure from the Filipino Chamber of Commerce of Hawai'i; National Federation of Filipino American Associations Region XII; Adult Foster Homecare Association of Hawaii; The Primary Care Providers; Alliance of Residential Care Administrators; Lou's Quality Home Health Care Services, LLC; and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services, City and County of Honolulu Department of Community Services, Long-Term Care Ombudsman, and two individuals.

Your Committee finds that requiring Community Care Foster Family Homes caregivers to be licensed as Certified Nurse Aides or Nurse Aides results in better quality of care and safety for elderly and disabled residents of Community Care Foster Family Homes. Your Committee further finds that Certified Nurse Aides and Nurse Aides must attain a minimum level of education and meet certain coursework requirements in order to become licensed.

Your Committee additionally finds that Certified Nurse Aides must undergo a twenty-four hour examination every two years and obtain recertification from the Department of Commerce and Consumer Affairs. Your Committee also finds that although Nurse Aides do not have to take a similar examination, they must complete continuing education every two years to ensure that their skills are maintained at a satisfactory level.

Your Committee has heard the concerns regarding the barriers to maintaining a Certified Nurse Aide license. Your Committee finds that the licensing and continuing education requirements under this measure will help ensure the quality of care and provision of services provided by caregivers in Community Care Foster Family Homes.

Accordingly, your Committee has amended this measure by requiring:

- (1) Community Care Foster Family Homes to be certified and in operation for at least one year prior to being certified for a third client;
- (2) Nurse Aides to complete a minimum of twelve hours of continuing education every calendar year;

- (3) A Community Care Foster Family Home to individually name each substitute caregiver on its liability insurance policy; and
- (4) Community Care Foster Family Homes to ensure that the following are current and made available for inspection by the Department of Human Services and the clients of the Community Care Foster Family Homes:
- (A) Proof that a substitute caregiver possesses the requisite skills to qualify as a Nurse Aide; and
- (B) Proof of certifications for Certified Nurse Aides.

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. 739, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 739, 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, 4. Noes, none. Excused, none.

**SCRep. 1081 Ways and Means on H.B. No. 775**

The purpose and intent of this measure is to restate and reinforce the 2002 legislative directive to transfer all moneys in the photo enforcement revolving fund to the general fund of the State.

Your Committee finds that the photo enforcement revolving fund was established by Act 240, Session Laws of Hawaii 2000. Your Committee also finds that Act 58, Session Laws of Hawaii 2002, repealed Act 240 and required, among other things, that all moneys in the photo enforcement revolving fund be transferred to the general fund of the State. However, records appear to indicate that a balance of \$3,480,000 remains in the photo enforcement revolving fund. Your Committee further finds that given the State's current fiscal situation, restating the legislative directive that the unused funds in the photo enforcement revolving fund be transferred immediately to the general fund is prudent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 775, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1082 Ways and Means on H.B. No. 1015**

The purpose and intent of this measure is to make an emergency appropriation out of the brownfields cleanup revolving loan fund to complete the disbursement of funds to the Department of Hawaiian Home Lands to clean up a contaminated site in Kapolei.

Your Committee received testimony in support of this measure from Jesse K. Souki, Interim Director, Office of Planning, Department of Business, Economic Development, and Tourism.

Your Committee finds that the Department of Business, Economic Development, and Tourism received a grant of \$2,000,000 from the United States Environmental Protection Agency for a brownfields cleanup revolving loan fund program to clean up contaminated sites.

Your Committee also finds that the Department of Business, Economic Development, and Tourism executed a loan with the Department of Hawaiian Home Lands to clean up a contaminated site in Kapolei. The federal grant funds must be disbursed to the Department of Hawaiian Home Lands in fiscal year 2010-2011. However, the amount of federal grant funds that remain to be disbursed exceeds the existing expenditure ceiling of \$1,000,000. This measure provides an emergency appropriation of an additional \$1,000,000, for a total of \$2,000,000 authorized for expenditure in the 2010-2011 fiscal year, from the brownfields cleanup revolving loan fund to complete the disbursement of funds to the Department of Hawaiian Home Lands and allow the Department of Business, Economic Development, and Tourism to meet its requirements under the federal grant.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1015, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1083 Ways and Means on H.B. No. 1035**

The purpose and intent of this measure is to place a moratorium on benefit enhancements under the Employees' Retirement System until the system is fully funded.

Your Committee received comments in support of this measure from Kalbert K. Young, Director, Department of Budget and Finance; and Kris Coffield, Legislative Director, IMUAlliance. Your Committee received comments on this measure from Michael Hansen, Department of Budget and Fiscal Services, and Noel Ono, Department of Human Resources, City and County of Honolulu.

Your Committee finds that stability in the level of benefits received by current and former public employees will help the Employees' Retirement System to eventually eliminate its unfunded liability and ensure the long-term viability of the 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 H.B. No. 1035, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1084 Ways and Means on H.B. No. 121**

The purpose and intent of this measure is to ensure that the Hawaii Civil Air Patrol can readily provide Hawaii residents with necessary disaster relief, search and rescue, homeland security, and medical emergency transport services, by appropriating funds to help defray the operational expenses of the Hawaii Civil Air Patrol.

Your Committee received written comments in support of this measure from Carswell Ross, Lt. Col., Civil Air Patrol, Commander of the 66th Composite Squadron, United States Air Force Auxiliary; Herbert T. Kaneshige, Colonel, Deputy Director, Government Relations, Civil Air Patrol, Hawaii Wing, United States Air Force Auxiliary; Darryl Choy, Lt. Col., Director of Personnel, Civil Air Patrol, Hawaii Wing, United States Air Force Auxiliary; and Stanley Y. Fernandez, Sr., Colonel, Civil Air Patrol, Hawaii Wing.

Your Committee finds that in addition to disaster relief, search and rescue, homeland security, and medical emergency transport services, the Hawaii Civil Air Patrol also operates the State's tsunami warning operations. This measure will help the Hawaii Civil Air Patrol defray its operational expenses and offset declining federal funding to the agency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 121, 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, 2 (Dela Cruz, English).

**SCRep. 1085 Ways and Means on H.B. No. 814**

The purpose and intent of this measure is to reduce the expenses of the State and the counties for the group life insurance benefits of retired and active public employees.

Specifically, this measure:

- (1) Limits group life insurance benefits to only retired employees who retired before July 1, 2011;
- (2) Eliminates annual adjustments of the monthly contributions for the group life insurance benefits of retirees; and
- (3) Eliminates the negotiability of group life insurance contributions for active employees.

Your Committee received comments in support of this measure from Michael Hansen, Department of Budget and Fiscal Services, and Noel Ono, Department of Human Resources, City and County of Honolulu.

Your Committee received comments in opposition to this measure from Randy Perreira, Executive Director, Hawaii Government Employees Association.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that the long-term cost saving initiative proposed in this measure will help to alleviate the significant benefits liabilities faced by the State and the counties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, 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, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1086 (Majority) Ways and Means on H.B. No. 1079**

The purpose and intent of this measure is to provide a funding mechanism to help the Department of Land and Natural Resources continue to assist landowners in developing, renewing, and monitoring habitat conservation plans by authorizing the Department to collect fees to cover associated costs.

Your Committee received written comments in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Richard Lim, Director, Department of Business, Economic Development, and Tourism; David Lane Henkin, Attorney, Earthjustice; and one individual.

Your Committee finds that development, while beneficial in other ways, may negatively affect Hawaii's population of threatened and endangered species. The Department of Land and Natural Resources has established a program to assist landowners with their habitat conservation plans to avoid, minimize, mitigate, and monitor take of threatened and endangered species.

In recent years, however, the demand for these services has grown, and the department cannot meet the increased demand under its current budget. This measure will enable the Department of Land and Natural Resources to continue providing these valuable services by implementing fees to cover the costs of the program and adopting rules for establishing the fees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1079, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, English, Ryan).

**SCRep. 1087 Ways and Means on H.B. No. 70**

The purpose and intent of this measure is to establish a return-to-home program to allow individuals who find themselves homeless in the State to return to their home state and reconnect with support networks ready and able to receive them. In addition, this measure appropriates funds to implement the program.



Your Committee received comments on this measure from Patricia McManaman, Director, Department of Human Services.

Your Committee finds that homeless persons are better able to thrive when they have access to familiar support groups or family members. This measure will assist homeless individuals to reunite with family and relatives in the individual's home 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. 70, 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, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1088 (Majority) Ways and Means on H.B. No. 945**

The purpose and intent of this measure is to find feasible methods of implementing the minimum student instructional days and hours requirements established under Act 167, Session Laws of Hawaii 2010 (Act 167).

Specifically, the measure accomplishes this purpose by:

- (1) Exempting multi-track schools from the requirements of Act 167;
- (2) Delaying the implementation of Act 167 by three years, with 2014 as the first year of implementation;
- (3) Requiring the Department of Education to assess the ability of all public schools to comply with the requirements of Act 167 and to report its findings to the Legislature prior to the 2012 Regular Session; and
- (4) Requiring the Department of Education, with the Board of Education and the Governor, to consult with representatives of affected public worker collective bargaining units and submit to the Legislature a report on its progress in meeting the requirements of Act 167 prior to the 2013 to 2018 Regular Sessions.

Your Committee received comments in support of this measure from Kalbert K. Young, Director, Department of Budget and Finance; Neal Takamori, President, Athletic Directors and Coaches Association of Hawaii; and Meredith Maeda, Principal, James B. Castle High School.

Your Committee received comments in opposition to this measure from Melanie Bailey and Kathy Bryant.

Your Committee finds that the additional work time required of school staff under Act 167 necessitates more funding to cover the lengthened school day and year once these requirements are implemented. The Department of Education estimates that implementing Act 167 within the next biennium will add \$55,000,000 in operating costs - mostly in labor. The Department of Budget and Finance projects that these increased costs will occur at a point when the fiscal condition of the State will not have sufficiently improved to afford these costs. An essential component of the State's overall plan to balance its budget is the achievement of labor savings. Although the requirements of Act 167 are intended to ensure a minimum amount of educational classroom instruction for Hawaii's students, it is unrealistic to expect that labor savings can be negotiated with Department of Education employees while simultaneously increasing their work requirements. Hence, the State's current fiscal challenges make it extremely difficult to implement Act 167 at the present time.

Your Committee further finds that multi-track public schools have unique schedules to address overcrowding and will find it particularly difficult to meet the requirements of Act 167. This measure will provide the Department of Education additional time to address both the logistical and financial considerations of implementing Act 167, while requiring the department to report to the Legislature on its progress in meeting these standards.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 945, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Chun Oakland, Espero). Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 1089 Ways and Means on H.B. No. 1540**

The purpose and intent of this measure is to achieve consistency between state and federal standards for teachers by making permanent the statutory provisions that:

- (1) Limit the maximum employment period for teachers hired on an emergency basis by the Department of Education to three years; and
- (2) Require unlicensed teachers hired on an emergency basis prior to July 1, 2008, to attain licensure within four years of the date of employment.

Your Committee finds that the No Child Left Behind Act of 2001 set forth various requirements that have created confusion and contradictions regarding the requisite qualifications of teachers under state and federal standards. This measure makes permanent the statutory provisions established under Act 125, Session Laws of Hawaii 2008, to better align Hawaii's teacher licensure requirements with the criteria for highly qualified teachers under the No Child Left Behind Act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1540, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1090 Ways and Means on H.B. No. 1566**

The purpose and intent of this measure is to establish mechanisms to improve and maintain the State's small boat harbors.

Specifically, the measure:

- (1) Authorizes the limited issuance of commercial use permits for vessels with assigned moorings in the Ala Wai and Keehi boat harbors;
- (2) Provides for future mooring fees to be established by appraisal by a state-licensed appraiser and assigned a schedule B rate, while existing mooring holders remain in a schedule A class that shall equal schedule B rates over a five-year period; and
- (3) Directs the Department of Land and Natural Resources to use the request for proposals procurement process to enter into a public-private partnership for the development of portions of Ala Wai boat harbor facilities that are presently underused to maximize the revenue potential from its facilities.

Your Committee received comments in opposition to this measure from Robert R. Humphreys, on behalf of the Association of Apartment Owners of the Ilikai; and one hundred ninety-four individuals.

Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee finds that this measure will have the following positive affects:

- (1) Making the Ala Wai and Keehi boat harbors consistent with the other boat harbors of the State by allowing limited commercial vessel activity;
- (2) Ensuring that the Department of Land and Natural Resources receives a fair market return on the exclusive use of these public facilities by establishing use fees by appraised values;
- (3) Reducing the burden on tax revenues for capital improvement projects by using fair market use fee revenues that exceed the actual operating cost of the facility for repairs, maintenance, and replacement of facilities; and
- (4) Establishing a new funding source for the Department of Land and Natural Resources by extending the leasable areas of the harbor to the submerged lands to support the department's long-range repair and maintenance goals for public harbor facilities and providing a stepping-stone to departmental 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. 1566, 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 (Slom). Noes, none. Excused, 3 (Dela Cruz, English, Ryan).

**SCRep. 1091 Ways and Means on H.B. No. 423**

The purpose and intent of this measure is to authorize issuance of special purpose revenue bonds in a total amount not to exceed \$40,000,000 for Carbon Bio-Engineers, Inc., or a partnership in which Carbon Bio-Engineers, Inc. is a general partner, for development of non-fossil fuel energy production.

Your Committee received comments in support of this measure from Dante Carpenter, Secretary of the Board of Directors, Carbon Bio-Engineers, Inc.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance

Your Committee finds that this measure will ultimately result in lessened dependency on fossil fuels, a decreased use of landfills, and reduced transportation and disposal costs, and indirectly provide lower priced electrical energy to the grid through local distributed generation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 423, 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, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1092 (Majority) Ways and Means on H.B. No. 273**

The purpose and intent of this measure is to curtail tobacco use in Hawaii by imposing an excise tax on tobacco products other than cigarettes, little cigars, and large cigars. This measure also applies the excise tax to bulk and small quantity purchases of tobacco products and large cigars and directs an unspecified percentage of the excise taxes to tobacco use prevention and treatment programs.

Your Committee received comments in support of this measure from George S. Massengale, JD, Director of Government Relations, American Cancer Society Hawaii Pacific, Inc.; Trisha Y. Nakamura, Esq., Policy and Advocacy Director, Coalition for a Tobacco-Free Hawaii; Donald B. Weisman, Hawaii Government Relations Director, American Heart Association; Megan Inada, MPH, Tobacco Programs Coordinator, Kokua Kalihi Valley Comprehensive Family Services; Forrest Batz, PharmD, Assistant Professor, Department of Pharmacy Practice, University of Hawaii at Hilo, College of Pharmacy; Valerie Chang, JD, Executive Director, Hawaii COPD Coalition; Marilyn J. Gagen, Marilyn J. Gagen, CPA, LLC; Hardy Spoehr, Executive Director, Papa Ola Lokahi; Valerie K. Saiki, Tobacco Control Specialist, Na Lei Wili Area Health Education Complex; and twenty-seven individuals.

Your Committee received comments in opposition to this measure from Justin Ingram, Manager, Tobaccos of Hawaii; Mark Miyahira, partner, Shiroma's Wine and More; Jon Fia; and one individual.

Your Committee received comments on this measure from the Tax Foundation of Hawaii; and William Goo, on behalf of Cigar Association of America, Inc.

Your Committee finds that imposing an excise tax on tobacco products and applying the tax proportionately to all quantities of tobacco products will discourage tobacco use in Hawaii and improve the overall health of Hawaii's population. Your Committee also finds it appropriate that a portion of excise taxes collected on sales of tobacco products is used to fund tobacco use prevention and dependence recovery programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 273, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1093 Ways and Means on H.B. No. 855**

The purpose and intent of this measure is to authorize the issuance of up to \$25,000,000 in special purpose revenue bonds to assist Pacific Power and Water Company, Inc. with the planning, permitting, designing, construction, equipping, and operating of hydropower facilities throughout the State.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that the development of hydropower facilities throughout the State will promote the use of clean and renewable energy and reduce Hawaii's reliance on imported oil.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 855, 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, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1094 Ways and Means on H.B. No. 550**

The purpose and intent of this measure is to require the Auditor to analyze the allocation of cable operator franchise fees and to review the reports of the financial, technical, and operational condition of 'Olelo Community Television.

Specifically, the measure would require the Auditor to:

- (1) Review the allocation of fees to public, educational, and government access organizations; the Hawaii Public Television Foundation; and the cable television division of the Department of Commerce and Consumer Affairs to determine the basis and rationale for the allocations; and
- (2) Review the reports submitted by 'Olelo Community Television, pursuant to section 440G-14, Hawaii Revised Statutes, and the most recent independent third party review of 'Olelo Community Television to determine whether the reports currently required by statute are sufficient to enable effective oversight.

Your Committee received comments in support of this measure from Everett Kaneshige, Deputy Director, Department of Commerce and Consumer Affairs.

Your Committee finds that in these economically challenging times, the State should ensure that cable operator franchise fee revenues and tax dollars are spent as prudently and effectively as possible. Further, your Committee finds that this measure will help to ensure that the State is able to provide effective oversight of 'Olelo Community Television.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 550, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1095 Ways and Means on H.B. No. 828**

The purpose and intent of this measure is to clarify procedures for administration of tax laws applicable to the cash economy.

Specifically, the measure accomplishes this purpose by:

- (1) Clarifying violations of record and receipt requirements for cash business transactions;
- (2) Allowing business transaction records to be hand written or generated by a manually operated or electronic cash register;
- (3) Limiting the fine for a violation if the person is otherwise in compliance with tax laws; and
- (4) Repealing the penalty for failure to record cash transactions by register.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the "Cash Economy Enforcement Act of 2009", Act 134, Session Laws of Hawaii 2009, was enacted to address the State's cash economy and to ensure that cash transactions are properly reported and general excise taxes are paid on such transactions. Your Committee also finds that this measure clarifies several provisions of the Cash Economy Enforcement Act that will facilitate taxpayer compliance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 828, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Ryan).

**SCRep. 1096 (Majority) Ways and Means on H.B. No. 596**

The purpose and intent of this measure is to provide presumptive eligibility for Medicaid for waitlisted patients who meet certain Medicaid eligibility criteria but have not yet been approved to receive Medicaid assistance.

The measure also appropriates unspecified moneys to cover the costs of reimbursements made to providers for services provided to patients who are later determined to be ineligible for Medicaid. In addition, the measure requires the Department of Human Services to conduct a study for a potential computerized system for processing Medicaid applications.

Your Committee received comments in support of this measure from Eldon L. Wegner, Ph.D., Policy Advisory Board for Elder Affairs; Christina Donkervoet, Director of Care Coordination and Patient Flow, The Queen's Medical Center; and Jim Tollefson, President and Chief Executive Officer, The Chamber of Commerce of Hawaii.

Your Committee received comments in opposition to this measure from Patricia McManaman, Director, Department of Human Services.

Your Committee finds that this measure will help reduce unnecessary costs related to providing medical services to patients with pending Medicaid applications and address many of the inefficiencies in the State's obsolete paper-based Medicaid application 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. 596, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1097 (Majority) Ways and Means on H.B. No. 916**

The purpose and intent of this measure is to establish an accessible parking special account within the disability and communication access board special fund to be expended to administer the statewide parking program for persons with disabilities.

The measure also increases the state vehicle registration fee by \$1, to be deposited into the accessible parking special account.

Your Committee received written comments in support of this measure from Gail Y. Haraguchi, Director, Department of Customer Services, City and County of Honolulu.

Your Committee finds that increasing the state vehicle registration fee by \$1 will provide the necessary funds to allow the Disability and Communication Access Board to reimburse the counties for the issuance of disabled persons placards and identification cards.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 916, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1098 (Majority) Ways and Means on H.B. No. 902**

The purpose and intent of this measure is to help Hawaii residents obtain adequate and timely health care by addressing some of the factors that lead to shortages of primary health care providers in the State.

Specifically, this measure:

- (1) Establishes the Hawaii Health Corps program, under the University of Hawaii John A. Burns School of Medicine, to encourage physicians, physician assistants, and nurse practitioners to work in a county having a shortage of physicians, physician assistants, and nurse practitioners, with priority given to a rural area;
- (2) Creates the Hawaii rural health care provider loan repayment program, to repay educational loans of Hawaii Health Corps program participants, and which shall be administered by the University of Hawaii John A. Burns School of Medicine and the University of Hawaii at Manoa School of Nursing and Dental Hygiene;
- (3) Creates the Hawaii Health Corps revolving fund to be expended for the operational expenses of the Hawaii Health Corps program;
- (4) Appropriates funds to, among other things, implement and administer the Hawaii Health Corps program; and
- (5) Appropriates funds to support the University of Hawaii's John A. Burns School of Medicine and the School of Nursing and Dental Hygiene accreditation efforts and support and expand residency programs, particularly in family medicine.

Your Committee received written comments in support of this measure from Virginia S. Hinshaw, Chancellor, and Jerris Hedges, Dean, John A. Burns School of Medicine, University of Hawaii at Manoa; Eldon L. Wegner, Ph.D., Policy Advisory Board for Elder Affairs; Dr. Morris Mitsunaga, President, Hawaii Medical Association; Healthcare Association of Hawaii; Jackie Berry, Executive Director, Healthy Mothers Healthy Babies; Hardy Spoehr, Executive Director, Papa Ola Lokahi; and one individual.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that many Hawaii residents, particularly those that live in rural communities, are medically underserved. Physician and nurse practitioner salaries in rural areas are often lower than in other urban areas, which contributes to a shortage of health care providers willing to locate in these areas.

Shortages of primary health care providers in the State, including physicians, physician assistants, and nurse practitioners, threaten the health of Hawaii's residents and ultimately lead to increased health care costs. This measure provides incentives for physicians, physician assistants, and nurse practitioners to serve in medically underserved populations, ensuring that Hawaii residents are able to receive adequate and timely health care.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 902, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1099 Ways and Means on H.B. No. 1286**

The purpose and intent of this measure is to authorize the issuance of up to \$100,000,000 in special purpose revenue bonds to assist BioEnergy Hawaii, LLC, in establishing a cogeneration facility and related energy production facilities for electrical output or biofuels energy, or both.

Your Committee received comments in support of this measure from Guy Kaniho, General Manager, BioEnergy Hawaii, LLC; and Dante Carpenter, Member, Board of Directors, Pacific Waste Inc. Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that the benefits of the development of cogeneration facilities include reduced greenhouse gas emissions, reduced landfill waste streams, reduced transportation and disposal costs, job creation, the promotion of renewable energy, and reduced dependence on imported fossil fuels.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1286, 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, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1100 Ways and Means on H.B. No. 608**

The purpose and intent of this measure is to appropriate funds, subject to dollar-for-dollar private matching funds, to sustain Centers for Medicare and Medicaid Services-certified organ transplant operations in Hawaii and maintain a federally-recognized chronic kidney disease management program.

Your Committee finds that there is a critical need to fund a Centers for Medicare and Medicaid Services-certified kidney and liver transplant facility in Hawaii to help ensure that residents of the State with end-stage diseases are not forced to register on transplant waiting lists for mainland transplant centers, which drastically increases the waiting time and risk of not receiving life-saving treatment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 608, H.D. 3, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1101 Ways and Means on H.B. No. 773**

The purpose and intent of this measure is to support education by authorizing the issuance of special purpose revenue bonds of up to \$40,000,000 to finance the planning, construction, improvement, and equipping of educational facilities for Saint Louis School.

Your Committee received comments in support of this measure from Daniel S. Gilmore, Ed.D., Vice President-Finance and Facilities, Chaminade University of Honolulu; Robert Witt, Executive Director, Hawaii Association of Independent Schools; Walter S. Kirimitsu, President, Saint Louis School; Anthony R. Guerrero, Jr., Chairman-elect of the Board of Trustees, Saint Louis School; and one individual.

Your Committee finds that the authorization of special purpose revenue bonds under this measure is in the public interest and will promote the education of Hawaii's students.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 773, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Slom).

**SCRep. 1102 Ways and Means on H.B. No. 1313**

The purpose and intent of this measure is to support education by authorizing the issuance of special purpose revenue bonds of up to \$15,000,000 to finance the planning, construction, improvement, equipping, and renovation of educational facilities for Windward Nazarene Academy.

Your Committee received comments in support of this measure from Robert Witt, Executive Director, Hawaii Association of Independent Schools; Bill Mickelsen, General Manager, King Windward Nissan; Kay Hishinuma, School Administrator, Windward

Nazarene Academy; Kenn Yuen, Owner, Bay View Mini-Putt, LLC; Kainani Inouye, President, Together Everyone Achieves Miracles; and two individuals.

Your Committee finds that the authorization of special purpose revenue bonds under this measure is in the public interest and will promote the education of Hawaii's children.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1313, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1103 Ways and Means on H.B. No. 383**

The purpose and intent of this measure is to extend the date on which the Legislative Federal Economic Stimulus Program Oversight Commission is terminated from June 30, 2011, to December 31, 2011.

Your Committee received comments in support of this measure from Kate Stanley, Chair, Legislative Federal Economic Stimulus Program Oversight Commission.

Your Committee finds that this measure will allow the Legislative Federal Economic Stimulus Program Oversight Commission to continue to meet the requirements of Act 150, Session Laws of Hawaii 2009, which established the Commission to ensure transparency and accountability for programs, services, and benefits of funds allocated to the State by the American Recovery and Reinvestment Act of 2009. Additional time would permit the Commission to more effectively exercise oversight of the federal economic stimulus program funds and implementation of program expenditures.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 383, 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, 13. Noes, none. Excused, 1 (Slom).

**SCRep. 1104 Judiciary and Labor on H.B. No. 44**

The purpose and intent of this measure is to establish a misdemeanor offense of solicitation of prostitution near schools or public parks if, within seven hundred fifty feet of a school or a public park, a person offers or agrees to pay a fee to another person to engage in sexual conduct.

Your Committee received testimony in support of this measure from the Department of Education; Hawaii Public Housing Authority; Downtown Neighborhood Board No. 13; EAH Housing; Kukui Kauhale, Inc., Mun Lun Chinese School; Safeway; and three individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender, American Civil Liberties Union of Hawai'i, and Libertarian Party of Hawaii.

Your Committee is supportive of this measure as a means of ensuring that the public is not subjected to viewing acts of prostitution near schools and public parks, where children are often present.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 44, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 44, 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, none.

**SCRep. 1105 Judiciary and Labor on H.B. No. 298**

The purpose and intent of this measure is to exempt court interpreters whose presence is requested by the court from prosecution for expired parking meter violations, as is currently provided to other witnesses who are summoned or subpoenaed by the court.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that the Judiciary uses court interpreters to provide access to justice for those parties and witnesses with limited English proficiency, thereby facilitating the fair and efficient administration of justice. These court interpreters serve at the call of the court, and the interpreters may receive parking tickets when they cannot leave the courtroom to deposit money into parking meters. Your Committee notes that other groups that similarly serve at the call of the court are currently subject to statutory exemptions from prosecution for parking violations while providing services to the court. Those statutory exemptions include jurors and witnesses pursuant to section 621-8, Hawaii Revised Statutes.

The Judiciary submitted testimony describing the important role that court interpreters play within the judicial system to facilitate fair access to justice. According to the Judiciary, court interpreters were used in 7,872 cases during the 2009 fiscal year. The Judiciary also noted its concern that the failure to provide a statutory exemption for parking violations to court interpreters that is similar to jurors and witnesses may provide a disincentive to the recruitment and retention of qualified court interpreters, who are already in short supply and high demand.

Your Committee has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 298, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 298, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1106 Judiciary and Labor on H.B. No. 968**

The purpose and intent of this measure is to:

- (1) Allow a temporary restraining order to remain in effect for up to one hundred eighty days from the date the order is granted or until the effective date of a protective order issued by the court, whichever occurs first; and
- (2) Clarify when protective orders granted orally by the court shall be effective.

Your Committee received testimony in support of this measure from the Hawaii State Coalition Against Domestic Violence and Downtown Neighborhood Board No. 13. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee finds that this measure would provide greater protection for victims of domestic abuse through the clarification of the transition between temporary restraining orders and protective orders.

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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 968, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 968, 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. 1107 Judiciary and Labor on H.B. No. 640**

The purpose and intent of this measure is to require any action taken by a board in an executive meeting that is closed to the public to be reported to the public when the board reconvenes at the open meeting in accordance with chapter 92, Hawaii Revised Statutes, commonly known as the "Sunshine Law".

Your Committee received testimony in support of this measure from the Office of Information Practices, The League of Women Voters of Hawaii, and the Americans for Democratic Action Hawai'i. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Office of the Mayor of the City and County of Honolulu, and one individual.

Your Committee finds that the Sunshine Law currently allows a board to hold an executive meeting that is closed to the public pursuant to a two-thirds vote of the board members present at the open meeting. That type of executive meeting is authorized when it is necessary to address certain privacy-related matters set out in section 92-5, Hawaii Revised Statutes. If the board votes to take an action during the executive meeting, that vote will become a public record, assuming that the purpose for which the executive meeting is held or the matters discussed are not circumvented or compromised by the disclosure. This measure will benefit the public's interest in transparency of governmental processes by requiring a board to immediately inform those attending the open meeting of the actions taken by the board when the board reconvenes the open meeting.

Your Committee observes, however, that the term "action" may suggest that a board will be required to disclose matters or discussions held in the executive meeting or other information that may circumvent or compromise the purposes for which the executive meeting is held. For example, a broad interpretation of the term "action" could require disclosure of legal advice between a board and the Attorney General, including discussions protected by attorney-client privilege, or may also require disclosure of a board's initial impression of a job applicant's capabilities or a public officer's or employee's annual performance, which may violate those individuals' constitutional liberty interests and right to privacy.

Your Committee is cognizant of the necessity of balancing the competing goals of transparent and open government against the need for board members to have the opportunity to engage in frank discussions about matters that should remain confidential due to constitutional or operational constraints. Your Committee believes that while disclosure of board actions upon reconvening of the open meeting is important, the disclosure should only involve "final actions" or actual votes by the board, rather than the substance of board discussions held in the executive meetings. Moreover, information describing the final action should be subject to the privacy interests described in section 92-5, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Substituting the term "final action" for the term "action", in relation to the type of board activity that must be disclosed;
- (2) Limiting the information describing the final action that is required to be disclosed by a board under this measure to information that is not inconsistent with the purpose for which the executive meeting was convened pursuant to section 92-5, Hawaii Revised Statutes, including matters affecting the privacy of individuals, and requiring boards to maintain the confidentiality of this information for as long as disclosure would defeat the purpose of convening the executive meeting; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 640, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 640, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1108 Judiciary and Labor on H.B. No. 1613**

The purpose and intent of this measure is to reduce the barriers to voter registration by:

- (1) Requiring that an application to register to vote in person or by mail include a space to request a permanent absentee ballot; and
- (2) Deleting the provision prohibiting a registered voter from requesting an absentee or permanent absentee ballot from the clerk earlier than the sixtieth day prior to the election.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai'i, Hawai'i Alliance for Retired Americans, Common Cause Hawaii, and eight individuals. Your Committee received comments on this measure from the Office of Elections and the Office of the County Clerk of the County of Maui.

Your Committee finds that improving access to permanent absentee ballot applications will help ensure the integrity of Hawaii's electoral system and increase voter access and turnout.

Your Committee heard concerns regarding the expense associated with the creation of new voter registration application forms that would be necessitated by this measure.

Accordingly, your Committee has amended this measure by:

- (1) Adding language directing the Office of Elections to continue to use its existing voter registration application forms where possible until such time as new forms are developed and printed to implement this 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1613, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1613, 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 (Slom).

**SCRep. 1109 Judiciary and Labor on H.B. No. 1368**

The purpose and intent of this measure is to:

- (1) Provide that the withdrawal of a candidate for elective office prior to the close of filing shall not constitute a vacancy that may be filled by a party; and
- (2) Define a "party candidate" as it applies to the law governing the filling of vacancies caused by the death, withdrawal, or disqualification of a party candidate.

Your Committee finds that the current statutory provisions governing a political party's ability to provide a substitute candidate when the original candidate is unable to run due to the candidate's death, withdrawal, or disqualification is intended to allow a political party to replace a candidate who cannot run due to an unexpected event, rather than allow a race to go forward uncontested. However, the current provisions can also be subject to abuse by a political party because they are allowed to essentially receive an extension of time for the filing deadline when a candidate submits nomination papers then withdraws them, thereby allowing the candidate's political party to fill the intentionally created vacancy well past the filing deadline. Your Committee believes that this loophole should be closed.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1368, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1368, 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, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1110 Judiciary and Labor on H.B. No. 716**

The purpose and intent of this measure is to establish new election deadlines to be consistent with Act 126, Session Laws of Hawaii 2010, which revised the state primary election date to comply with the National Defense Authorization Act for Fiscal Year 2010, P.L. 111-84.

Your Committee received testimony in support of this measure from the Office of Elections, Office of the County Clerk of the County of Maui, and League of Women Voters.

Your Committee finds that during the 2010 Regular Session, the Legislature passed Act 126, Session Laws of Hawaii 2010, to meet a federal mandate requiring that absentee ballots be mailed to uniformed and overseas voters no later than forty-five days prior to elections for federal office. This mailing deadline necessitated an amendment to Hawaii's primary election date, to allow for sufficient time between the primary and the general election to generate and mail the absentee ballots within this time period. The change of the primary election date also requires other statutory amendments for consistency with the new primary date and to provide sufficient time for the Office of Elections to prepare and send the federal absentee ballots.



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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 716, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 716, 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 (Slom).

**SCRep. 1111      Judiciary and Labor on H.B. No. 467**

The purpose and intent of this measure is to:

- (1) Provide additional protection to public employees who report violations of the law in state or local government or of government contracts; and
- (2) Expand the Department of Labor and Industrial Relations' responsibilities regarding whistleblowers.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, United Public Workers, and one individual.

Your Committee finds that many state and county employees are directly responsible for protecting the public interest through the administration of statutory requirements and enforcement of rules and regulations. During the course of this work, these public employees may become aware of violations or suspect violations of laws or government contracts by their employers or others. This measure will shield from reprisal those employees who report violations of the law or improper activities that may threaten the health and safety of workers or the public.

Your Committee observes that this measure designates certain existing statutes relating to whistleblower protections as subpart A of part V of chapter 378, Hawaii Revised Statutes. Within the newly designated subpart, there are certain enforcement directives that authorize a court to remedy damages sustained by a whistleblower by reinstating the employee, for example, and by fining an employer who illegally retaliates against a whistleblower. However, it is unclear whether these enforcement directives would apply to public employers for violations of the new whistleblower protections for public employees. Your Committee believes that these enforcement provisions should be extended to apply to public employers; therefore, the general provisions of subpart A should be amended to clarify their applicability to the new subpart. Your Committee believes that the extension of these enforcement directives will encourage public employee whistleblowers to come forward.

Your Committee has amended this measure by:

- (1) Clarifying that the provisions designated under this measure as subpart A of chapter 378, Hawaii Revised Statutes, regarding remedies and penalties, apply to the new public employee whistleblower provisions;
- (2) Clarifying that other provisions designated under this measure as subpart A of chapter 378, Hawaii Revised Statutes, regarding collective bargaining and confidentiality rights, compensation for employees, and notices of employee protections and obligations, do not apply to the new public employee whistleblower provisions;
- (3) Making the measure effective upon approval; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 467, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 467, 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, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1112      Judiciary and Labor on H.B. No. 555**

The purpose and intent of this measure is to amend the sentencing requirement for defendants convicted of criminal property damage offenses when the property damage is caused by graffiti by:

- (1) Limiting the imposition of the penalty for the removal of graffiti to cases where the removal would not endanger people or inconvenience the public; and
- (2) Increasing the area within which the graffiti removal may take place.

Your Committee received testimony in support of this measure from the Office of the Public Defender. Your Committee received comments on this measure from the Judiciary.

Your Committee believes that section 708-823.6, Hawaii Revised Statutes, constitutes a common-sense approach to confronting property damage by graffiti. By sentencing a defendant who is convicted of property damage by graffiti to removing graffiti within the same area where the defendant defaced the property of others, a defendant performs a valuable community service while gaining a direct understanding of the time and effort it takes property owners and community members to restore what may take only minutes to vandalize.

Section 708-823.6, Hawaii Revised Statutes, as enacted in 2010 does contain some practical challenges, however, that this measure is intended to resolve, including allowing an exemption of the sentence when the removal of graffiti may place the defendant or others in physical danger or inconvenience the public. Additionally, according to testimony presented to your Committee by the Judiciary

and the Office of the Public Defender, there are logistical problems with ensuring that the defendants performing the graffiti removal are properly supervised. The Judiciary agency that administers community service programs does not have the resources, including sufficient personnel or supplies, to oversee the defendants nor is its staff authorized to supervise defendants in cleaning graffiti. The Judiciary reported in its testimony that, as an alternative, it contacted the State Highway Maintenance Base Yard to determine whether it had a graffiti eradication program that could supervise defendants but was informed that no one is available to oversee graffiti cleanup. The Public Defender reiterated that supervision is a problem, potentially resulting in sanctions against a defendant who is willing but unable to perform the terms of his or her sentence.

Accordingly, your Committee has amended this measure by:

- (1) Allowing the court to order one hundred hours of community service in lieu of requiring the defendant to remove graffiti, if the government agency responsible for supervising the defendant does not have the resources to supervise the defendant, as recommended by the Judiciary; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 555, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 555, 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 (Ihara).

**SCRep. 1113      Judiciary and Labor on H.B. No. 593**

The purpose and intent of this measure is to ensure that the public has qualified candidates running for elected office by requiring that candidates for elected county office submit a sworn oath certifying compliance with relevant provisions of county charters and ordinances.

Your Committee received testimony in support of this measure from two County Council members from the County of Maui.

Your Committee finds that section 12-3, Hawaii Revised Statutes, enumerates the information that a candidate for public office must include with the candidate's nomination papers. Specifically, section 12-3, Hawaii Revised Statutes, requires sworn certifications by the candidate that the candidate has complied with various provisions of the law. If the required certifications are not included with the nomination papers, pursuant to section 12-3(f), Hawaii Revised Statutes, the nomination papers shall be deemed void and will not be accepted for filing by the chief election officer or clerk. Your Committee also finds that this measure would add a requirement that candidates for elective county office submit a sworn certification that the candidate has complied with provisions of the relevant county charter or ordinances pertaining to elected officials.

Your Committee further finds that it is reasonable to expect candidates for county elective office to affirmatively acknowledge compliance with applicable county provisions and may encourage those candidates to review the relevant county charter and ordinances in which they choose to run for an elected office. While your Committee understands that compliance with county eligibility requirements is implicit upon the acceptance of nomination papers by county clerks from prospective candidates for county office, this measure will codify this certification obligation and require candidates to clearly affirm their compliance.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 593, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 593, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1114      Judiciary and Labor on H.B. No. 439**

The purpose and intent of this measure is to amend Rule 303 of the Hawaii Rules of Evidence by extending evidentiary presumptions to certain materials and information posted on government websites or purported to be posted by public authority on the Internet.

Your Committee received testimony in support of this measure from the Hawaii Supreme Court Standing Committee on the Rules of Evidence.

Your Committee finds that this measure will expand evidentiary presumptions imposing the burden of producing evidence to include materials and legal opinions posted on government websites.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 439, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 439, 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. 1115      Judiciary and Labor on H.B. No. 299**

The purpose and intent of this measure is to expedite the finality of judgments on appeal by shortening the time period to file an application for a writ of certiorari with the Hawaii Supreme Court from ninety days to thirty days, with an extension of up to an additional thirty days upon request.

Your Committee received testimony in support of this measure from the Judiciary and the Office of the Public Defender.

Your Committee finds that currently, the application for a writ of certiorari must be filed within ninety days of filing of the judgment or dismissal order of the Intermediate Court of Appeals. Due to the availability of an appeal from an Intermediate Court of Appeals' decision, the judgment on appeal is not final until the ninety-first day, even if no application for a writ of certiorari is submitted. This may have adverse consequences for litigants. For example, an incarcerated criminal defendant who has won a conviction reversal by the Intermediate Court of Appeals' judgment may be required to remain in prison until the judgment becomes effective.

Your Committee notes that the ninety-day period has applied only since 2006, when the appellate courts were restructured and the Hawaii Supreme Court became a certiorari court. Prior to 2006, the writ of certiorari application filing period was thirty days. Your Committee also notes that this measure will allow a litigant an extension of thirty days if a litigant needs additional time.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 299, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 299, 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. 1116      (Majority) Judiciary and Labor on H.B. No. 638**

The purpose of this measure is to require the use of the instant runoff voting method for elections for county office in which no primary election is held and in special elections that would normally be subject to a runoff election if a candidate was not elected by majority vote in the initial special election. The intent of this measure is to provide additional electoral safeguards to preserve the integrity of Hawaii's voting system.

Your Committee received testimony in support of this measure from the Americans for Democratic Action Hawai'i, Common Cause Hawaii, Fair Vote – The Center for Voting and Democracy, and three individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Elections.

Your Committee finds that under a plurality election, when there are more than two candidates running in an election, a candidate with a small percentage of the vote may be elected. The candidate who is elected may not necessarily represent the electorate. Under an instant runoff voting method, voters are allowed to rank their choices. This method can eliminate a spoiler effect in which a third candidate may win, even though the majority of the electorate prefers the other two candidates over the candidate who wins in the end. Moreover, a voter may be more comfortable voting for the more preferred candidates, even if the voter knows that the preferred candidate is unlikely to win.

Your Committee notes that the Americans for Democratic Action Hawai'i and Common Cause Hawaii recommended amendments to this measure to simplify the process and speed the tabulations by providing that, if no candidate receives a majority of votes in the first round of the election, the county clerk would announce that all but the four candidates receiving the most votes are defeated and only those four candidates would proceed to the second round of the tabulation. Americans for Democratic Action Hawai'i and Common Cause Hawaii suggested this amendment to avoid situations where a large number of candidates for one office would require several rounds of tabulations. While your Committee acknowledges that this method would simplify the tabulation process, your Committee also believes that the amendment could produce an arbitrary result if, for example, there is not a large difference between the number of votes received by the candidates with the fourth and fifth highest number of votes.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 638, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 638, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Gabbard). Noes, 1 (Slom). Excused, none.

**SCRep. 1117      Judiciary and Labor on H.B. No. 381**

The purpose and intent of this measure is to amend various sections of the Hawaii Revised Statutes to correct errors and references, clarify language, and delete unnecessary provisions.

Your Committee received testimony in support of this measure from the Legislative Reference Bureau.

Your Committee finds that each year, pursuant to chapter 23G, Hawaii Revised Statutes, the Legislative Reference Bureau sets forth necessary technical amendments to the Hawaii Revised Statutes.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 381, 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. 1118 (Joint/Majority) Health and Human Services and Ways and Means on H.B. No. 614**

The purpose of this measure is to reinstate a Hospital-based Screening and Assessment and Intensive Home Visitation Program that targets improved intensive home visiting services to the highest-risk families of newborns in communities across the State, while at the same time offering other families a range of evidence-based home visiting services according to their identified needs. The intent of this measure is to help equip families with the tools necessary to raise healthy children.

Your Committees received testimony in support of this measure from the Department of Health, Department of Human Services, PACT-Parents and Children Together, Child & Family Service, Consuelo Foundation, Early Learning Council, Hawaii Family Support Institute, One Voice for Hawaii's Children, and twenty-one private citizens. Your Committees received comments on this measure from the American Heart Association and Coalition for a Tobacco-Free Hawaii.

Your Committees find that it is prudent to reinstate hospital-based screening and assessment services and intensive home visitation services for families at highest risk, along with referrals of other families to existing home visitation services, in order to continue to promote healthy childhood development.

Your Committees heard testimony expressing concern with the funding provisions of this measure. Your Committees note that there may be a need to amend or insert language in this measure based on budget provisions and that these funding issues should be further considered by a conference committee.

Your Committees have amended this measure by:

- (1) Providing that the Department of Health's Hospital-based Screening and Assessment and Intensive Home Visitation Program may follow the guidelines of the Healthy Start Program;
- (2) Eliminating the language setting out requirements associated with the intensive home visitation services under the Program;
- (3) Amending the required elements of the hospital-based screening and assessment services under the Program;
- (4) Providing that Hospital-based Screening and Assessment and Intensive Home Visitation Program services may be initiated on an incremental basis, with geographic priority to be determined by the Department of Health's needs assessment;
- (5) Adding language requiring that Hospital-based Screening and Assessment and Intensive Home Visitation Program services shall be subject to the availability of funds and shall be implemented as funding becomes available;
- (6) Eliminating the language that would have increased the Hawaii Tobacco Settlement Special Fund appropriation ceiling for fiscal years 2011-2012 and 2012-2013; and
- (7) 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 Health and Human Services and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 614, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 614, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Majority Leader and Chairs on behalf of the Committees.  
Ayes, 16. Noes, 1 (Slom). Excused, 2 (Kouchi, Nishihara).

**SCRep. 1119 (Joint) Health and Human Services and Ways and Means on H.B. No. 905**

The purpose and intent of this measure is to require the Directors of Health and Human Services to collaborate with contracted health and human services providers to develop and update annually a health and human services delivery plan in order to ensure that these critical services are being delivered in an effective, cost-efficient manner.

Your Committees received testimony in support of this measure from the Department of Human Services, Farmers Insurance Hawaii, Inc., Hawaii Business Health Council, Times Super Market Pharmacy Division, Hoana Medical Systems, Inc., and two private citizens. Your Committees received comments on this measure from the Department of Health.

Your Committees find that an essential part of overseeing the provision of the State's health and human services programs is the development of a health and human services delivery plan that evaluates the efficiencies in delivering existing services and recommends strategies for eliminating gaps in service delivery and providing cost-efficient and effective service alternatives. This measure will require the Department of Health and Department of Human Services to develop such a plan and reevaluate the plan on an annual basis.

Your Committees heard testimony expressing concern that the December 31, 2012, implementation date imposed by this measure may not give the Department of Health and Department of Human Services enough time to confer on the development of a health and human services delivery plan. Your Committees acknowledge this concern and would like further discussion to occur on this issue during Conference proceedings.

Additionally, your Committees find that S.B. No. 1106, S.D. 1, contains provisions requiring the Department of Health to establish a Workplace Wellness Pilot Program that should be incorporated into this measure to further the delivery of beneficial government services.

Accordingly, your Committees have amended this measure by inserting language from S.B. No. 1106, S.D. 1, that requires the Department of Health to create a Workplace Wellness Pilot Program that supports state employees in adopting and maintaining a healthier lifestyle.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 905, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 905, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Majority Leader and Chairs on behalf of the Committees.  
Ayes, 17. Noes, none. Excused, 2 (Kouchi, Nishihara).

**SCRep. 1120 Ways and Means on H.B. No. 1270**

The purpose and intent of this measure is to require the Department of Taxation to evaluate certain tax credits, exclusions, and exemptions and report to the Legislature.

Furthermore, this measure schedules the repeal of certain tax credits, exclusions, and exemptions.

Your Committee received comments in support of this measure from Frederick D. Pablo, Director, Department of Taxation.

Your Committee received comments in opposition to this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism; Karen Seddon, Executive Director, Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development, and Tourism; Timothy E. Steinberger, Director, City and County of Honolulu, Department of Environmental Services; Eugene K. Jimenez, Housing Director, Kauai County Housing Agency; Rick Keene, Executive Vice President and Chief Financial Officer, The Queen's Medical Center; Tim Lyons, Legislative Chairman, Aloha Society of Association Executives; Tim Lyons, Legislative Liaison, The Legislative Center; David M. Nakamura, Executive Director, The Mutual Housing Association of Hawaii; Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii; Steve Colon, President, Hunt Development Corp; Charles Ota, Vice President, Military Affairs, The Chamber of Commerce of Hawaii; Nathaniel Kinney, Director of Organizing and Business Development, International Union of Painters and Allied Trades, District Council 50; Carol Pregill, President, Retail Merchants of Hawaii; Rev. Alan Mark, State President, Faith Action for Community Equity; Claire Ridding-Johnston, Project Director, Island Palm Communities; Jerry Schmitz, Project Director, Hickam Communities; Charles E. Spiegel, Managing Director/Owner, Protech Roofing, LLC; Kevin R. Carney, Vice President, Hawaii, EAH Housing; Oren Chikamoto, American Fraternal Alliance; Oren Chikamoto, American Council of Life Insurers; Joel K. Matsunaga, Chief Operating Officer and Executive Vice President, Hawaii Bioenergy, LLC; Douglas M. Goto, Executive Vice President, Pacific Guardian Life; Joseph J. Annotti, President and Chief Executive Officer, American Fraternal Alliance; Brenda Ching, Chair, Hawaii Film and Entertainment Board; Hawaii Carpenters Union; Inter-Island Solar Supply; Craig Hirai, Chair, Hawaii Association of Realtors; Iain S. Wood, President, Ship Repair Association of Hawaii; Lon K. Okada, Hawaiian Electric Industries, Inc.; Gary M. Slovin, Covanta Energy Corporation; Gary M. Slovin/Mihoko E. Ito, Wyndham Worldwide; Stacey Katakura White, Chief Financial Officer, ForestCity Hawaii; Stanford S. Carr, President, Stanford Carr Development, LLC; Makani Maeva, Director, Vitus; Healthcare Association of Hawaii; Henry Fordham, Acting Business Representative, IATSE Local 665; and twenty-eight individuals.

Your Committee received comments on this measure from the Tax Foundation of Hawaii; Stefanie Sakamoto, Hawaii Credit Union League; Brad L. Hewitt, Thrivent Financial for Lutherans; and Carl A. Anderson, Supreme Knight, Knights of Columbus.

Your Committee finds that there is presently little or no legislative oversight with regard to the tax credits, exemptions, and exclusions granted under state law to certain segments of the community. Your Committee further finds that the need for statistical information regarding these tax credits, exemptions, and exclusions is clear, especially the ones relating to business and economic development.

Your Committee has amended this measure as follows:

- (1) Requiring taxpayers to submit the statistical reports regarding certain tax credits, exclusions, and exemptions to the Department of Taxation independently of their claims or returns;
- (2) Requiring the Department of Taxation to review and study the list of tax credits, exclusions, and exemptions instead of providing for their scheduled repeal;
- (3) Adding and deleting certain tax credits, exclusions, and exemptions to and from the list; and
- (4) Changing the effective date to July 1, 2050, in order to facilitate continued discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1270, 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, 2 (English, Fukunaga).

**SCRep. 1121 Judiciary and Labor on H.B. No. 1088**

The purpose and intent of this measure is to authorize the Department of Public Safety to timely render involuntary medical treatment, including medication, if the court finds that:

- (1) The inmate or detainee poses a danger of physical harm to self or others;
- (2) Treatment with medication is medically appropriate; and

(3) Considering less intrusive alternatives, treatment is essential to forestall the danger posed by the inmate or detainee.

Your Committee received testimony in support of this measure from the Department of Public Safety and Department of Health.

Your Committee finds that individuals who receive treatment for mental illness have a better prognosis for improvement than those who do not receive treatment. However, under current law an inmate or detainee in Hawaii's correctional facilities may refuse necessary medications, which may result in a cycle of short-term emergency medications and lead to a transfer to the Hawaii State Hospital in extreme cases. Your Committee further finds that this measure will establish specific proceedings for involuntary medical treatment and allow the Department of Public Safety to treat inmates or detainees in a more timely and efficient manner.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1088, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1088, 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. 1122 Judiciary and Labor on H.B. No. 1376**

The purpose and intent of this measure is to make permanent the news media privilege by repealing the sunset date of Act 210, Session Laws of Hawaii 2008.

Your Committee received testimony in support of this measure from the Media Council of Hawai'i, Society of Professional Journalists, American Civil Liberties Union of Hawai'i, The League of Women Voters of Hawaii, Common Cause Hawaii, Hawaii Reporter, and three individuals. Your Committee received comments on this measure from the Judiciary.

Act 210, Session Laws of Hawaii 2008, provides a news media privilege to protect journalists and newscasters from testifying or producing evidence to disclose:

- (1) The source, or information that could reasonably be expected to lead to the discovery of the identity of the source, of any published or unpublished information obtained while gathering, receiving, or processing information for communication to the public; or
- (2) Any unpublished information obtained or prepared while gathering, receiving, or processing information for communication to the public.

Your Committee finds that further information is necessary to determine whether to remove the sunset date and make Act 210, Session Laws of Hawaii 2008, permanent or otherwise make amendments to that Act. Your Committee notes the testimony of the Judiciary, which states:

"The Standing Committee on Rules of Evidence was established by the Chief Justice on 15 July 1993 'to study and evaluate proposed evidence law measures referred by the Hawaii Legislature, and to consider and propose appropriate amendments to the Hawaii Rules of Evidence.' Whether or not to retain a journalists' privilege is a question that should be addressed, in the first instance, to the Supreme Court's Standing Committee on Rules of Evidence. Accordingly, the committee requests that the Legislature, recognizing the principle of shared governance of the Hawaii Rules of Evidence, refer this matter to the evidence rules committee for interim study and a full report in advance of the convening of the 2012 Legislature."

Accordingly, your Committee has amended this measure by:

- (1) Extending the sunset date of Act 210, Session Laws of Hawaii 2008, to June 30, 2013, rather than making the news media privilege permanent at this time; and
- (2) Requiring the Judiciary, through its Standing Committee on Rules of Evidence, to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2012, information and recommendations regarding Act 210, Session Laws of Hawaii 2008.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1376, 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. 1123 Judiciary and Labor on H.B. No. 257**

The purpose and intent of this measure is to amend the campaign finance laws by, among other things:

- (1) Regulating automated phone calls by including them within the definition and regulation of advertisements;
- (2) Changing report filing deadlines;
- (3) Requiring that a supplemental report be filed by candidate committees in non-election years;
- (4) Adding specified fines for the late filing or failure to file organizational reports, an electioneering communications statement, a notice of intent to hold a fundraiser, and an expenditure of public funds report when required by law;
- (5) Adding a cap of an unspecified amount on the price of fundraiser tickets that may be purchased with campaign funds;

- (6) Applying notice and disclaimer requirements to an advertisement that is not paid for by an independent party; and
- (7) Repealing the tax deduction for qualifying contributions to a candidate who files an affidavit regarding public funds.

Your Committee received testimony in support of this measure from the Campaign Spending Commission. Your Committee received comments on this measure from Common Cause Hawaii.

Your Committee finds that the campaign finance laws, codified at chapter 11, part XIII, Hawaii Revised Statutes, were passed by the Legislature in 2010. This measure clarifies and makes substantive changes to some of these laws. Your Committee believes that these amendments are reasonable and necessary to improve transparency and accountability in the election and campaign financing systems.

Among other things, this measure adds a supplemental reporting requirement for candidate committees in non-election years. Your Committee believes that the current method of reporting for candidate committees is sufficient to adequately inform the public of candidate committee activities. Your Committee also notes that another measure that was referred to and heard by your Committee, H.B. No. 258, H.D. 1, adds an additional preliminary report filing deadline on September 30 of each election year in order to align the filing deadlines for candidate committee reports with the earlier primary election date established during the 2010 legislative session to conform with federal law. Your Committee believes that the inclusion of a September 30 preliminary reporting requirements is a logical amendment to this measure.

Your Committee has amended this measure by:

- (1) Adding the supplementary September 30 preliminary report filing requirement from H.B. No. 258, H.D. 1;
- (2) Deleting the non-election year supplemental candidate committee reporting requirement; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 257, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 257, 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, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1124      Judiciary and Labor on H.B. No. 1155**

The purpose and intent of this measure is to:

- (1) Specify Class A felonies that require mandatory minimum prison terms under the repeat offender statute; and
- (2) Reinstate, add, and delete certain Class C felonies that require mandatory minimum prison terms under the repeat offender statute.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, and The Drug Policy Forum of Hawai'i. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Department of Commerce and Consumer Affairs, and City and County of Honolulu Police Department. Your Committee received comments on this measure from the City and County of Honolulu Department of the Prosecuting Attorney.

Your Committee finds that requiring mandatory minimum prison terms may result in significant increases in the cost of corrections, due to longer prison terms and an increase in the prison population. Your Committee further finds that other unintended consequences of mandatory minimum prison terms may include removing other, less costly or more effective sentencing options limiting the discretion of a sentencing judge.

Your Committee has heard the concerns that this measure eliminates certain categories of offenses from the repeat offender statute. This measure would make the repeat offender law inapplicable to all felony drug offenses, certain firearms offenses, and certain crimes against persons. Your Committee has also heard the concerns that this measure would make the repeat offender law inapplicable to all felony convictions of other jurisdictions. Your Committee understands these concerns. However, your Committee notes that requiring mandatory minimum prison terms often removes judicial discretion. Your Committee believes that judges are in the best position to make decisions about sentencing based on the facts and circumstances of each case and the individual offenders before them. Your Committee finds that allowing judges to exercise flexibility and discretion in sentencing can result in a sentencing system that is fair and effective.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1155, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1155, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1125      Judiciary and Labor on H.B. No. 1069**

The purpose and intent of this measure is to limit the time period of commitment to an appropriate institution or release on conditions when unfit defendants are charged with petty misdemeanors or nonviolent misdemeanors.

Your Committee received testimony in support of this measure from the Hawaii Disability Rights Center and one individual. Your Committee received oral testimony in support of this measure from the Director of Health. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu. Your Committee received comments on this measure from the Office of the Public Defender.

Your Committee finds that when a defendant lacks fitness to proceed, the criminal proceedings are suspended and the defendant is committed to the Director of Health to be placed in an appropriate institution for detention, care, and treatment. In actuality, a defendant's commitment to the Director of Health can be indefinite if the defendant continues to be found unfit to proceed, and the defendant may be held by the Director of Health for a period that is longer than the period of incarceration that the defendant would have received had the defendant been sentenced to the maximum jail time allowed by law.

Your Committee notes that concerns were raised in testimony regarding the resources required to maintain a defendant in an appropriate facility or to monitor a defendant who is released on conditions.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2011; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1069, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1069, 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, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 1126 Judiciary and Labor on H.B. No. 1333**

The purpose and intent of this measure is to increase the maximum monetary claim that may be filed in small claims court from a maximum of \$3,500 to a monetary claim that is not equal to or more than \$5,000, exclusive of interests and costs.

Your Committee received testimony in support of this measure from the Judiciary and the Collection Law Section of the Hawaii State Bar Association.

Your Committee finds that this measure will provide a number of benefits to the parties of small claims cases, including control of where the case is heard, earlier trial dates, more timely access to any monetary awards, and the opportunity to resolve differences through mediation.

Your Committee also notes that the less than \$5,000 amount proposed in this measure does not affect the right of trial by jury for civil cases with a value in controversy that exceeds \$5,000, as afforded by article I, section 13, of the Hawaii State Constitution.

Your Committee has amended this measure by changing the effective date to July 1, 2011.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1333, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1333, 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. 1127 Judiciary and Labor on H.B. No. 545**

The purpose and intent of this measure is to establish an online voter registration system that is available on the website of the Office of Elections.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai'i, Americans for Democratic Action Hawai'i, The League of Women Voters of Hawaii, Common Cause Hawaii, and one individual. Your Committee received comments on this measure from the Office of Elections and the Office of the County Clerk of the County of Maui.

Your Committee finds that this measure represents an important step in ensuring that all of Hawaii's citizens are able to vote by reducing the barriers to voter registration. Improving access to voter registration will increase voter turnout, particularly for younger voters who are among those least likely to vote. Further, online voter registration is an efficient and economical electoral system that has seen great success in a number of states. In these difficult economic times, it is incumbent upon the State to do more with less, and your Committee believes that encouraging voter turnout while decreasing the cost to register voters is an excellent strategy to meet this goal.

Your Committee has amended this measure by:

- (1) Mandating that the Department of the Attorney General, Examiner of Drivers for each county, county clerks, and Office of Elections cooperate to modify their respective applicable computer systems, develop and implement new computer software, or otherwise develop a method by which the Office of Elections may verify the information in the voter registration affidavits described in section 1 of this measure and may obtain an electronic copy of each applicant's signature;
- (2) Providing that no state or county agency shall charge the Office of Elections any fees or costs related to compliance with the Office of Elections to implement the online voter registration system; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 545, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 545, 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 (Slom).

**SCRep. 1128 (Majority) Judiciary and Labor on H.B. No. 546**

The purpose and intent of this measure is to prohibit discrimination on the basis of gender identity or expression as a public policy matter and specifically within the context of employment.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission, one member of the Board of Education, Hawaii State Teachers Association, Hawaii Government Employees Association, Hawaii State AFL-CIO, ILWU Local 142, Equality Hawai'i, American Civil Liberties Union of Hawai'i, Americans for Democratic Action Hawai'i, Planned Parenthood of Hawaii, Screen Actors Guild Hawaii Branch, Honolulu Pride, and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaii Catholic Conference, Hawaii Family Forum, and two individuals. Your Committee received comments on this measure from The Chamber of Commerce of Hawaii.

Your Committee finds that discrimination on the basis of gender identity or expression is abhorrent and, according to testimony submitted to your Committee, a true problem for transgender individuals. According to the 2009 National Transgender Discrimination Survey, transgender individuals experience unemployment and poverty at twice the rate of the general population and ninety-seven percent of the Survey's respondents reported experiencing harassment or mistreatment while at work. This measure intends to send the message that Hawai'i's laws protect against this type of discrimination, whether based on actual or perceived sexual orientation, and that this type of discrimination is illegal and unacceptable. This message is necessary because your Committee also observes that this measure does not represent a change in the law. The Hawai'i Civil Rights Commission issued a ruling in 2002, specifically Final Decision and Order Granting Petition for Declaratory Relief (June 28, 2002), which has interpreted gender identity or expression as being included within the category of "sex" that is subject to anti-discrimination laws. Accordingly, while this interpretation has not yet been codified in Hawaii, this 2002 ruling by the Hawai'i Civil Rights Commission has the force and effect of law.

Your Committee acknowledges that the Hawaii Catholic Conference and the Hawaii Family Forum submitted testimony requesting an exemption for religious institutions. Your Committee notes that there is currently an exemption for religious institutions in section 378-3(5), Hawaii Revised Statutes, which provides, "Nothing in [part I of chapter 378] shall be deemed to ... [p]rohibit or prevent any religious or denominational institution or organization, or any organization operated for charitable or educational purposes, that is operated, supervised, or controlled by or in connection with a religious organization, from giving preference to individuals of the same religion or denomination or from making a selection calculated to promote the religious principles for which the organization is established or maintained". While not as broad as the exemption requested by the Hawaii Catholic Conference and the Hawaii Family Forum, this exemption should address any legitimate concerns a religious organization may have regarding the organization's authority to evaluate whether a prospective employee will "promote the religious principles for which the organization is established or maintained". Widening the scope of that exemption may invite the discriminatory practices that this measure seeks to prohibit.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 546, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 2 (Gabbard, Slom). Excused, none.

**SCRep. 1129 (Joint) Energy and Environment and Ways and Means on H.B. No. 563**

The purpose and intent of this measure is to delay the ability to claim the existing Ethanol Facility Tax Credit until January 1, 2014.

Your Committees received testimony in support of this measure from William Maloney, Pacific West Energy, LLC. Your Committees received comments on this measure from Frederick Pablo, Department of Taxation; and Tax Foundation of Hawaii.

Your Committees find that the Ethanol Facility Tax Credit was enacted as an incentive to stimulate the production of ethanol in the State, thereby contributing to the State's production of renewable energy and independence from fossil fuels. At this point in time, many challenges, including the recent turmoil in the financial sector, volatility of the energy markets, and the securing of suitable agricultural land for the production of ethanol, have resulted in the tax credit being unclaimed.

Your Committees find that although delaying the availability of the tax credit could affect the potential growth of ethanol production in Hawaii, the January 1, 2014 reinstatement date proposed under this measure coincides with the timeframe that existing ethanol production companies have stated would be the earliest date that ethanol production facilities could be brought online.

Your Committees further find that the current wording of the measure states that the amount of the tax credit is thirty percent of a facility's nameplate capacity. This language is unclear as nameplate capacity is a facility's full-load sustained output and is measured in gallons under this measure, with no other unit of measurement in reference to the thirty percent. Therefore, it appears that the tax credit is to be realized in gallons. For clarity, the tax credit needs to be stated in monetary terms. Your Committees further find that the current requirement that a facility be in production before January 1, 2017, in order to claim the tax credit is contradictory to the tax credit's purpose of spurring the industry and is an even further discouragement as a result of the delayed availability of the tax credit as proposed in this measure.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the provision determining the amount of the credit based on a percentage of nameplate capacity and replacing it with a determination based on an unspecified number of cents per gallon actually produced by the facility;
- (2) Deleting the requirement that the facility's level of production needs to be at least seventy-five percent of its nameplate capacity in order to claim the tax credit;
- (3) Deleting the language that states that the facility must be in production on or before January 1, 2017, in order to claim the tax credit;
- (4) Changing the effective date to make this measure apply, upon its approval, to taxable years beginning after December 31, 2050, to allow for further discussion; and
- (5) 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 Energy and Environment and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 563, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 563, 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, 15. Noes, none. Excused, 2 (Ihara, Tokuda).

**SCRep. 1130      Ways and Means on H.B. No. 1179**

The purpose and intent of this measure is to establish an advisory committee on short-term investments to assist the Director of Finance in making short-term investments.

In addition, this measure clarifies the conditions regarding short-term investment of state moneys.

Your Committee received testimony in support of this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds this measure will help to improve the State's money management capabilities. Your Committee believes that the State's recent, financially disadvantageous experience with investments in student loan auction rate securities highlights the State's need for expert assistance in making future short-term investment decisions. Your Committee notes its firm intent that the advisory committee and its consultants include local investment industry advisors and agents.

Your Committee has amended this measure by:

- (1) Clarifying that two members of the advisory committee, rather than being appointed by Hawaii Bankers Association, are to be appointed by the Governor to represent banks that are chartered or licensed in the State; and
- (2) 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 H.B. No. 1179, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1179, 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, 13. Noes, none. Excused, 1 (Slom).

**SCRep. 1131      (Majority) Ways and Means on H.B. No. 793**

The purpose and intent of this measure is to delay certain amendments to the State's income tax law.

Specifically, the measure:

- (1) Delays the standard deduction and personal exemption increases approved under Act 60, Session Laws of Hawaii 2009; and
- (2) Makes the increases permanent.

Your Committee held a public hearing on a proposed draft of the measure. Among other things, the proposed draft:

- (1) Suspends from January 1, 2012, to June 30, 2015, the exemptions for certain persons and certain amounts of gross income or proceeds from the general excise and use tax and requires the payment of the tax at a rate of four per cent;
- (2) For two years, doubles the:
  - (A) State income tax standard deduction amounts;
  - (B) State income tax credit for household and dependent care services necessary for gainful employment;
  - (C) State income tax credit for low-income household renters; and
  - (D) Refundable food/excise tax credit;
- (3) For two years, increases by one per cent:
  - (A) The capital goods excise tax credit;
  - (B) The general excise and use tax rates; and
  - (C) Various public service company tax rates; and

- (4) Appropriates funds for the Department of Taxation to expedite implementation.

Your Committee received testimony in support of this measure from Alan Johnson, Chairperson, Hawaii Substance Abuse Coalition; Joy Kobashigawa Lewis, Legislation Committee of the State Central Committee, Democratic Party of Hawaii; Susan Goya, Executive Secretary, Retirees Unit, Hawaii Government Employees Association; Kris Coffield, Legislative Director, IMUAlliance; Al Hamai, President, Hawaii Alliance For Retired Americans; Eldon L. Wegner, Policy Advisory Board for Elder Affairs; and one hundred eighty-four individuals.

Your Committee received testimony in opposition to this measure from Tim Lyons, President, Subcontractors Association of Hawaii; Tim Lyons, Legislative Liaison, Anheuser Busch Companies; Malcolm Barcarse, Jr., Corporate Counsel, A & B Electric Company, Inc.; Malcolm Barcarse, Jr., Chairman, Associated Builders and Contractors, Inc.; Iain S. Wood, President, Ship Repair Association of Hawaii; Tim Lyons, Legislative Chairman, Aloha Society of Association Executives; Chamber of Commerce of Hawaii; National Federation of Independent Business; Joseph J. Annotti, President, & CEO Thrivent Financial for Lutherans, Woodmen of the World, The Independent Order of Foresters and Knights; American Fraternal Alliance; American Council of Life Insurers; Carol Pregill, President, Retail Merchants of Hawaii; Scott Waracka, President, Kailua Electric Service; Gary M. Slovin, PVT Land Company; Gregg S. Serikaku, Executive Director, Plumbing and Mechanical Contractors Association of Hawaii; Gary M. Slovin, Covanta Energy Corporation; Richard M. Moss, President, MOSS Engineering, Inc.; Hawaii Food Industry Association; Amy Blagriff, Executive Vice President, American Institute of Architects, Hawaii State Council; John H. Katahira, President, The Limtiaco Consulting Group, Inc.; Shane Kitchens, AIA Premier Pacific Design Group; Robin K. Inaba, AIA Inaba Architecture; Stanford C. Lee, AIA Principal/Manager, Next Design; Neal Arita, Executive Director, Sheet Metal Contractors Association; Bernhard Wonneberger, AIA, NCARB Unit Manager and Principal, Wiss, Janney, Elstner Associations, Inc.; Greg Thielen, President/RME, Complete Construction Services; John Fullmer, AIA Vice President, Mason Architects; Lori Peters, ACH Co-Chair, Airlines Committee of Hawaii; Spencer Leineweber, FAIA, 2011 AIA Honolulu President, American Institute of Architects; Debra M. A. Luning, Director of Governmental Affairs and Community Relations, Gentry Homes and Gentry Builders; American Council of Engineering Companies of Hawaii; Brian Benton, Chair of the Government Affairs Committee, Hawaii Association of Realtors; Sandra Weir, Director, Hawaii Operations, Norwegian Cruise Line America, LLC; Wayne Kato, Chairman of the Board, Honolulu Japanese Chamber of Commerce; Earl H. Kono, AIA, Principal, Riecke Sunland Kono Architects, Ltd.; Gary Slovin, Air Transport Association; Darren Hand, AIA, LEED-AP American Institute of Architects; David Ralph, Vice President, Finance Polynesian Cultural Center; Patsy Nanbu, Hawaiian Electric Company, Inc.; ILWU Local 142; FC Hawaii CM, LLC; Adrienne King; LYZ, Inc.; John J. Polischek, Jr., President, American Piping & Boiler Co.; Kathryn Yamate, Accounting Manager, American Piping & Boiler Co.; Rayna Hashimoto, Assistant Controller, American Piping & Boiler Co.; John R. Kennedy, Managing Member, Industrial Group; Brett Kappelle, Barker Kappelle Construction, LLC.; Jeff Thompson, Vice President, Ledcor Construction Hawaii, LLC; Dennis M. Ideta, Senior Vice President, S & M Sakamoto, Inc.; Alan Shintani, President, Alan Shintani, Inc.; Glenn Ushio, President, Tomco Corp.; Pamela Tumpap, President, Maui Chamber of Commerce; JAS W Glover, LTD; DM Pacific, Inc.; Ralph S Inouye Co., LTD; Maui Divers of Hawaii; Hawaiian Telcom; Charley's Taxi; Coalition of Hawaii Engineering and Architectural Professionals; Hawai'i Association of Realtors; Nordic Construction PCL; Electrical Contractors Association of Hawaii; General Contractors Association; Luersen Architects, Inc.; and two hundred fifty-eight individuals.

Your Committee received comments on this measure from Frederick D. Pablo, Director, Department of Taxation; Kalbert K. Young, Director, Department of Budget and Finance; Tax Foundation of Hawaii; Louise K. Y. Ing, President, Hawaii State Bar Association; Robert Witt, Executive Director, Hawaii Association of Independent Schools; Lisa Maruyama, President and CEO, Hawaii Alliance of Nonprofit Organizations; Greg Wirtz, President, North West and Canada Cruise Association; Mar Labrador, Chair, Hawaii Harbors Users Group; Vivian Landrum, President/CEO, Kona-Kohala Chamber of Commerce; Paul T. Oshiro, Manager-Government Relations, Alexander and Baldwin, Inc.; and three individuals.

Your Committee finds that a temporary suspension of certain exemptions of the general excise and use tax is a prudent method of addressing the projected revenue shortfall faced by the State.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft, and further amending it by:

- (1) Deleting provisions to increase the standard deduction amounts, income tax credit for household and dependent care services necessary for gainful employment, income tax credit for low-income household renters, refundable food/excise tax credit, capital goods excise tax credit, general excise and use tax rates, and public service company tax rates;
- (2) Clarifying that the temporary suspension of exemptions from the general excise and use tax, as provided for in this measure, shall not apply to gross income or gross proceeds from services furnished to a company by its wholly owned subsidiary; 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. 793, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 793, 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 (Espero, Kidani). Noes, 4 (Chun Oakland, Fukunaga, Ige, Slom). Excused, none.

**SCRep. 1132 Water, Land, and Housing on H.B. No. 680**

The purpose and intent of this measure is to repeal the requirement that the Hawaii Community Development Authority consider recommendations by the Kakaako Makai Community Planning Advisory Council in developing, accepting, and implementing any plans for the development of the Kakaako Makai area of the Kakaako Community Development District.

Your Committee received testimony in support of this measure from the Hawaii Community Development Authority, Land Use Research Foundation of Hawaii, Gary Holmes, Dale Holmes, Bessie Yagi, Edwin Yagi, Juanita Brown, Scott Moon, Todd Murata,

Nick Soliven, and Keane Backman. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs; Sierra Club Oahu Group; Hawaii's Thousand Friends; Advanced Restaurant Management, Ltd.; The Outdoor Circle; Wayne Takamine; John S. Carroll; Johannes Schothorst; Jeannine Johnson; Bill Wise; Aaron Mendonca; Stanley Takamine; Betty Takamine; Mark Martindale; Robert Richmond; Douglas Palama; Jon Hatakenaka; Craig Jerome; Dexter Okada; Lydi Bernal; Anthony Aalto; Reg White; Gayle Lau; Stephanie Pulido; and Jaime Pulido. Your Committee received comments on this measure from Kaka'ako Community Alliance and C. Scott Bradley.

Your Committee finds that after years of work, the Kakaako Makai Community Planning Advisory Council completed and published their Vision and Guiding Principles for the Kakaako Makai Area in 2009. Your Committee finds that the Vision and Guiding Principles for the Kakaako Makai area can be best implemented by creating a subdistrict of the Kakaako Community Development District, and the land in the Kakaako Makai Area can be put to the highest and best use by authorizing the Hawaii Community Development Authority to subdivide real property within the Kakaako Community Development District.

Accordingly, your Committee has amended this measure by:

- (1) Establishing a Kakaako Makai Community Development Subdistrict and requiring the Hawaii Community Development Authority to act as the local development authority to facilitate the development of the subdistrict in accordance with certain statutory requirements;
- (2) Adding three voting members to the Hawaii Community Development Authority to represent the Kakaako Makai Community Development Subdistrict;
- (3) Clarifying the powers and rule-making authority of the Hawaii Community Development Authority with respect to the subdivision of real property in the Kakaako Community Development District; 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 Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 680, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 680, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Majority Leader on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Shimabukuro). Noes, none. Excused, 2 (Fukunaga, Tokuda).

**SCRep. 1133 (Joint/Majority) Water, Land, and Housing and Ways and Means on H.B. No. 1405**

The purpose and intent of this measure is to require the Office of Planning of the Department of Business, Economic Development, and Tourism to develop and establish a statewide system of greenways and trails to promote Smart Growth and sustainability in the State.

Your Committees received testimony in support of this measure from the Department of Planning and Permitting, City and County of Honolulu; Sierra Club, Hawai'i Chapter; The Outdoor Circle; Nicole Lowen; and Janice Palma-Glennie. Your Committees received testimony in opposition to this measure from the Office of Planning of the Department of Business, Economic Development, and Tourism and Aha Kiolo Advisory Committee.

Your Committees find that the Office of Planning does not have the staff and fiscal resources at this time to implement planning for a statewide system of greenways and trails. Furthermore, as several testifiers attested, this measure duplicates ongoing efforts of various state and county agencies.

Your Committees further find that meaningful planning for the future of our State cannot occur without addressing the unresolved claims of Native Hawaiians to lands within the State. Long-term planning to address social ills, including the lack of availability of affordable housing, will continue to be hampered unless a Native Hawaiian governing entity is recognized by the State of Hawaii and can negotiate with the State of Hawaii to resolve the claims of the Native Hawaiian people.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and replacing them with the contents of S.B. No. 1, S.D. 2, which, among other things:
  - (A) Establishes a nine-member Native Hawaiian Roll Commission to prepare and maintain a roll of qualified Native Hawaiians to serve as a basis of eligibility to participate in the organization of a Native Hawaiian governing entity;
  - (B) Requires the Commission, after publication of the Roll, to appoint an interim council of nine members from the Roll to commence the organization of a convention of qualified Native Hawaiians;
  - (C) Requires the Governor to dissolve the Commission after the interim council is appointed; and
  - (D) Appropriates an unspecified sum to be expended by the Office of Hawaiian Affairs for the purposes of this measure; and
- (2) 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 Water, Land, and Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1405, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1405, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Majority Leader and Chair on behalf of the Committees.

Ayes, 13. Noes, 1 (Slom). Excused, 2 (English, Shimabukuro).

**SCRep. 1134 (Joint/Majority) Water, Land, and Housing and Ways and Means on H.B. No. 1529**

The purpose and intent of this measure is to establish a task force to:

- (1) Review and update the Hawaii State Planning Act; and
- (2) Review and update the planning, programming, and budgeting system of the State.

Your Committees received testimony in support of this measure from the Aha Kiolo Advisory Committee and Land Use Research Foundation of Hawaii. Your Committees received testimony in opposition to this measure from the Office of Planning, Department of Business, Economic Development, and Tourism; Sierra Club, Hawai'i Chapter; Nicole Lowen; and Janice Palma-Glennie. Your Committees received comments on this measure from the Department of Budget and Finance and Office of Information Practices of the Office of the Lieutenant Governor.

Your Committees find that the Office of Planning and the Department of Budget and Finance may not have the staff and fiscal resources to provide the administrative, technical, professional, and clerical support required by the task force to review and update the Hawaii State Planning Act and the state planning, programming, and budgeting system.

Your Committees further find that meaningful planning for the future of our State cannot occur without addressing the unresolved claims of Native Hawaiians to lands within the State. Long-term planning to address social ills, including the lack of availability of affordable housing, will continue to be hampered unless a Native Hawaiian governing entity is recognized by the State of Hawaii and can negotiate with the State of Hawaii to resolve the claims of the Native Hawaiian people.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and replacing them with the contents of S.B. No. 1520, S.D. 2, which, among other things:
  - (A) Establishes a nine-member Native Hawaiian Roll Commission to prepare, maintain, and certify a roll of qualified Native Hawaiian constituents for the purpose of reorganizing a first nation government;
  - (B) Establishes a process for the election of members to an Interim First Nation Governing Council;
  - (C) Establishes a process for the preparation and ratification of organic governing documents for the first nation government; and
  - (D) Appropriates an unspecified sum to be expended by the Office of Hawaiian Affairs for the purposes of this measure; and
- (2) 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 Water, Land, and Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1529, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1529, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Majority Leader and Chair on behalf of the Committees.  
Ayes, 13. Noes, 1 (Slom). Excused, 2 (English, Shimabukuro).

**SCRep. 1135 (Majority) Judiciary and Labor on H.B. No. 141**

The purpose and intent of this measure is to authorize retroactive application of the requirement that multiple terms of imprisonment run concurrently unless directed to run consecutively by law or court order.

Prior to the hearing, your Committee circulated a proposed S.D. 1 of this measure that replaced the contents of this measure with provisions that establish class A and B felonies for labor trafficking offenses, a nonpayment of wages offense, an unlawful conduct with respect to documents offense, and related provisions relating to these new offenses. Your Committee notes that the contents of the proposed S.D. 1 were originally included in H.B. No. 1003, H.D. 2, S.D. 1 (2011), an effective date of July 1, 2011, was also inserted.

Your Committee received testimony in support of the proposed S.D. 1 from IMUAlliance and one individual.

Your Committee finds that currently, Hawaii is one of only five states without an anti-trafficking statute or adequate legal protection for victims of sex and labor trafficking. This does not mean that trafficking is not a problem in Hawaii. For example, in one of the largest labor trafficking cases in United States history, Global Horizons Manpower, Inc., a Los Angeles-based employment contractor is alleged to have coerced into agricultural work over four hundred Thai nationals, including forty-four farmers who paid recruiters \$20,000 each for the chance to work at a local farm. Trafficked workers who were victims of this company were chronically underpaid, forced to live in modified storage containers, and threatened with deportation and other forms of economic damage, after having their passports take by the local farm owners.

Your Committee notes that federal law also covers labor trafficking, and the prosecution of the traffickers described above is being conducted pursuant to federal law. However, as explained in testimony submitted during the hearing on H.B. No. 1003, H.D. 2, S.D. 1, while these types of offenses are covered by federal law, federal law enforcement officers generally will only proceed against traffickers with many victims, and not traffickers with one or two victims. Thus, state laws on this subject will complement the federal laws.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Specifically excluding prostitution-related and obscenity-related activities as set forth in chapter 712, Hawaii Revised Statutes, from the definitions of "labor" and "services";
- (2) Clarifying the intent for the labor trafficking in the first degree offense;

- (3) Revising the language describing the means or methods used by a person committing the offense of labor trafficking in the first degree, as recommended by the Department of the Attorney General, by requiring that the means be committed against the trafficked person and by specifying that, where the means referenced another crime, the means referred to the acts constituting the crime, rather than the underlying crime itself, which may have included a different state of mind than specified in the labor trafficking offense;
- (4) Replacing “aggravated sexual assault” from the sentencing provisions related to labor trafficking in the second degree with “sexual assault in the first, second, or third degree”, for consistency with existing law and adding sexual assault as one of the means used by a person committing the offense of labor trafficking in the first degree, as recommended by IMUAlliance;
- (5) Substituting the means of “force, threat, or intimidation” with “force, deadly force, or unlawful force” for consistency with existing law, as recommended by IMUAlliance, and adding definitions for those terms;
- (6) Revising the categories or types of injuries sustained by a victim for purposes of determining extended terms of imprisonment to conform to existing law, as recommended by IMUAlliance;
- (7) Clarifying that an employer who withholds wages for lawful reasons does not violate the nonpayment of wages offense, as recommended by the Department of the Attorney General and IMUAlliance; and
- (8) 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 141, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 141, 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, 1 (Slom). Excused, none.

**SCRep. 1136 Judiciary and Labor on H.B. No. 243**

The purpose and intent of this measure is to establish the killing of, or attempting to kill, a pet animal of another person without that person’s consent constitute animal cruelty in the first degree, with certain exemptions.

Prior to the hearing, your Committee posted a proposed S.D. 1, which deleted the contents of this measure and replaced them with provisions prohibiting the retail sale of unsterilized cats in order to mitigate the suffering of the feral cat population. The proposed S.D. 1 also inserted an effective date of January 1, 2012.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaiian Humane Society, the Maui Humane Society, the Kauai Humane Society, The Humane Society of the United States, and numerous individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from one individual.

Your Committee finds that the population of feral cats is increasing across the State in spite of widespread efforts to control its growth. Your Committee further finds that the uncontrolled propagation of unsterilized cats contributes to increases in the feral cat population as feral cats are the offspring of domestic unsterilized cats that have been abandoned by their owners. Feral cats form colonies and procreate to the extent of presenting a humane issue that is exacerbated when abandoned or escaped pet cats continue to join the feral population and procreate. This measure, as proposed, will significantly slow the growth of the feral cat population thereby alleviating some degree of the suffering of that population.

Your Committee also finds that there are currently more dogs in the State than there are humans willing to care for them and that the population of stray dogs is beset by many of the same issues affecting the feral cat population.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending this measure by:

- (1) Prohibiting the sale by any pet retailer of an unsterilized dog and defining that term;
- (2) Amending the purpose section accordingly; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 243, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 243, 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. 1137 Judiciary and Labor on H.B. No. 240**

The purpose and intent of this measure is to afford witnesses in cases involving promoting prostitution the highest priority to receive government security and protection.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, The Pacific Alliance to Stop Slavery, Downtown Neighborhood Board No. 13, and one individual.

Your Committee finds that prostitution remains a concern within Hawaii communities, not only for the prostitution activity itself, but also for the criminal conduct that it can bring to the area within which it occurs. However, there are also concerns that some of those engaged in prostitution are victims of human traffickers or others and are thus coerced into prostitution. Accordingly, it is incumbent on the State to craft legislation that combats those who benefit most from the prostitution, the traffickers and pimps, while

providing protection to victims of traffickers who step forward seeking safety, and addresses the demand for prostitution by assuring that habitual patrons are penalized when they engage in this conduct. Your Committee believes that thoughtful legislation in these areas will act to protect those victimized by prostitution, including those coerced into prostitution and residents of sensitive communities that must grapple with the effects of prostitution and related criminal activities.

Your Committee notes that in addition to this measure, two measures - H.B. No. 241, H.D. 1, and H.B. No. 242, H.D. 1 - that were referred to your Committee attempt to address different parts of this complex issue. H.B. 240 addresses the protection of victims of traffickers who step forward. H.B. 241, H.D. 1, increases penalties for the offenses of promoting prostitution in order to deter traffickers and pimps. H.B. 242, H.D. 1, addresses habitual patrons of prostitutes, thereby decreasing demand for these services. Your Committee believes that the combination of these three measures will provide a comprehensive way to deal with the complex issue of prostitution within a single vehicle.

Accordingly, your Committee has amended this measure by:

- (1) Adding the contents of H.B. 241, H.D. 1, as part II to the measure, which:
  - (A) Amends section 712-1202, Hawaii Revised Statutes, by upgrading promoting prostitution in the first degree from a class B felony to a class A felony;
  - (B) Amends section 712-1202, Hawaii Revised Statutes, to include "fraud" among the means of compelling or coercing an individual into prostitution and defining "fraud";
  - (C) Amends section 712-1203, Hawaii Revised Statutes, by upgrading the offense of promoting prostitution in the second degree from a class C felony to a class B felony;
  - (D) Repealing the offense of promoting prostitution in the third degree, amending the offense of promoting prostitution in the second degree so that conduct previously prohibited under promoting prostitution in the third degree is incorporated within the second degree offense, and making conforming amendments;
- (2) Adding the contents of H.B. 242, H.D. 1, as part III, which:
  - (A) Amends sections 712-1200 and 712-1207, Hawaii Revised Statutes, by expanding the offenses of prostitution and solicitation of prostitution to include the patrons of prostitution in order to address the concerns raised from the case State v. Espinoza;
  - (B) Makes the offense of habitual solicitation of prostitution a class C felony; and
  - (C) Removes the sunset date of Act 192, Session Laws of Hawaii 2009 to permanently establish the offense of habitual solicitation of prostitution; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 240, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1138 (Joint) Water, Land, and Housing and Means on H.B. No. 331**

The purpose and intent of this measure is to:

- (1) Change the maximum aggregate of the initial term and any extension of certain leases of public lands from fifty-five years to sixty-five years; and
- (2) Broaden the restriction on introducing any species of aquatic life or wildlife, as defined in section 197-1, Hawaii Revised Statutes, to apply to any persons, rather than solely to the Department of Land and Natural Resources.

Prior to holding a public hearing on this measure, a proposed S.D. 2 was prepared and made available for public review. The proposed S.D. 2 retains the contents of the measure and, among other things:

- (1) Establishes a public corporation to administer a public land development program;
- (2) Authorizes the Public Land Development Corporation to manage the commercial and residential use of Ala Wai Boat Harbor; and
- (3) Makes several changes to provide resources for the repair maintenance of and improve the management of Ala Wai Boat Harbor.

Your Committees received testimony in support of this measure from Hilo Bay Printing Co., Ltd.; Independent Employers Group; McCully Works; and Alumside Products, Inc. Your Committees received testimony in opposition to this measure from the Department of the Attorney General; City and County of Honolulu, Department of Planning and Permitting; Hawaii Aquaculture and Aquaponics Association; and Ocean Tourism Coalition. Your Committees received comments on this measure from the Department of Land and Natural Resources; Department of Budget and Finance; and Office of Hawaiian Affairs.

Your Committees find that jobs and revenues can be created through a culturally-sensitive public lands development program. Creating a development arm of the Department of Land and Natural Resources and placing appropriate public lands under the new corporation's jurisdiction will put public lands to their highest and best use, while also generating jobs and revenues for the Corporation and the agencies that lease lands to the Corporation.

Pursuant to its rule-making authority, the Public Land Development Corporation may adopt rules that provide for preferential Kamaaina rates for residents of Hawaii to use and enjoy the projects that will be developed by the Corporation.

If the Board of Land and Natural Resources does not approve the transfer of development rights that are appurtenant to a property to be developed from the Department of Land and Natural Resources to the Corporation, the development rights shall not be transferred to the Corporation.

Your Committees have amended this measure by adopting the proposed S.D. 2 and further amending this measure by:

- (1) Increasing the maximum term for leases extended due to economic hardship from fifty-five years to sixty-five years in part I;
- (2) Replacing the four voting members of the Board of Directors of the Public Land Development Corporation who represent the counties with the Director of Finance, or the Director's designee; the Director of Business, Economic Development, and Tourism, or the Director's designee; and two members to be appointed by the Governor from lists of three qualified persons provided by the President of the Senate and the Speaker of the House of Representatives, respectively, in part III;
- (3) Adding the First Deputy to the Chairperson of the Board of Land and Natural Resources as an alternate designee to the Board of Directors of the Public Land Development Corporation;
- (4) Clarifying the powers of the Public Land Development Corporation in part III;
- (5) Amending provisions relating to the disposition of certain monies within the Hawaii Public Land Development Revolving Fund established pursuant to this measure;
- (6) Authorizing the transfer of development rights from the Department of Land and Natural Resources to the Corporation, under certain conditions, in part III;
- (7) Transferring to the Corporation development rights for all small boat harbors that have open contractual obligations for capital improvements to harbor facilities as of July 1, 2011, in part III;
- (8) Expanding the exemptions granted to the Public Land Development Corporation to include certain statutes, ordinances, charter provisions, and rules of any governmental agency, under certain conditions;
- (9) Deleting language in part IV of the measure, which would have:
  - (A) Placed Ala Wai Boat Harbor under the jurisdiction of the Corporation; and
  - (B) Provided for certain revenue-generating programs to support state small boat harbors and develop Ala Wai Boat Harbor;
- (10) Adopting various clarifying amendments based on testimony received from the Department of Land and Natural Resources; and
- (11) 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 Water, Land, and Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 331, 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. 331, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 6 (Chun Oakland, English, Fukunaga, Kim, Tokuda, Wakai).

**SCRep. 1139 (Joint) Water, Land, and Housing and Energy and Environment on H.B. No. 117**

The purpose and intent of this measure is to expedite and facilitate work on projects that have been or may be stalled due to delays relating to Special Management Area permitting requirements.

Your Committees received testimony in support of this measure from City and County of Honolulu, Department of Planning and Permitting; County of Maui, Department of Planning; County of Kauai, Planning Department; Hawaii Association of REALTORS Livit Callentine; and Nancy McPherson. Your Committees received testimony in opposition to this measure from the Office of Environmental Quality Control, Department of Health; Office of Hawaiian Affairs; Sierra Club Hawai'i Chapter; Hawaiian Electric Company, Inc.; Hawaii's Thousand Friends; Thorne Abbott; Robert Harris; Marjorie Erway; Carol Philips; Robin Kaye; Pauline MacNeil; Duane Erway; Carl Imperato; Chris Cramer; and Jonathan Starr. Your Committees received comments on this measure from the Office of Planning; Department of Business, Economic Development, and Tourism; and Robin Knox.

Your Committees find that the costs of purchasing and importing construction materials, along with the costs of labor, have risen at a rate that has increased overall costs of projects that in the past may have been viewed as unsubstantial or minor. Your Committees recommend adopting a bright line criterion that reflects current market costs to determine whether a Special Management Area minor permit or a Special Management Area use permit is required to expedite the permitting process.

Your Committees further find that the construction of ocean front single-family residences poses a significant threat to coastal environments. Currently, construction of ocean front single-family residences is exempt from the Special Management Area permitting requirements, even though construction of an ocean front single-family residence could have an immediate and irreversible impact on the coastal environment.

Accordingly, your Committees have amended this measure by:

- (1) Adding language to expedite and facilitate work on land and facilities under the jurisdiction of the Department of Land and Natural Resources;



- (2) Requiring a "development" to hold Special Management Area permit for the construction of a single-family residence that is situated on a tax map key parcel that is subject to a shoreline setback;
- (3) Amending the definitions of "special management area minor permit" and "special management area use permit" to reflect current market costs in a value not to exceed \$500,000 and increase governmental efficiencies;
- (4) Requiring adequate notice to the public of developments in the Special Management Area and defining "adequate notice" to require certain types of signage; and
- (5) 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 Water, Land, and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 117, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 117, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7; Ayes with Reservations (English, Ihara). Noes, none. Excused, 4 (Fukunaga, Green, Tokuda, Slom).

**SCRep. 1140 Ways and Means on H.B. No. 866**

The purpose and intent of this measure is to help boost Hawaii's beekeeper industry by compiling statistics on the production of queen bees.

Specifically, this measure:

- (1) Allows beekeepers to register with the Department of Agriculture to provide certain information that is to be kept confidential unless otherwise required by law;
- (2) Appropriates funds to establish an apiary program in the Department of Agriculture; and
- (3) Requires the Department of Agriculture to report to the Legislature prior to the 2013 Regular Session on the effectiveness of beekeeper registration.

Your Committee received written comments in support of this measure from Russell S. Kokubun, Chairperson, Board of Agriculture; and Cary Ploeger-Dizon, President, Big Island Beekeepers Association.

Your Committee received comments on the measure from Cathy L. Takase, Acting Director, Office of Information Practices.

Your Committee finds that the exact number of bee colonies in Hawaii remains unknown and previous efforts to compile industry statistics have been futile for competitive reasons. Allowing beekeepers to register certain information with the Department of Agriculture will allow the State to better compile industry statistics.

Your Committee has amended this measure by requiring that the Department of Agriculture protect the confidentiality of beekeeper registration information to the extent that the information falls within an exception to disclosure under chapter 92F, 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. 866, 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. 866, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1141 Ways and Means on H.B. No. 1248**

The purpose and intent of this measure is to provide affordable capital for new farmers.

Specifically, this measure:

- (1) Reduces the new farmer program loan interest rate;
- (2) Increases the new farmer program loan limits;
- (3) Reduces the number of credit denials required to qualify for the new farmer program; and
- (4) Appropriates funds for the new farmer program.

Your Committee received written comments in support of this measure from Russell S. Kokubun, Chairperson, Board of Agriculture; and the Hawaii Farm Bureau Federation.

Your Committee finds that the State must assist local farmers if it is to meet its sustainability goals. One of the largest hurdles for new farmers is the availability of affordable credit. This measure will help provide affordable capital for new farmers, thereby increasing local food production and helping the State to become more self-reliant.

Your Committee has amended this measure by changing the effective date to July 1, 2117, 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. 1248, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1248, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1142 Ways and Means on H.B. No. 1277**

The purpose and intent of this measure is to appropriate funds from the Agricultural Development and Food Security Special Fund for the Department of Agriculture to complete the Statewide Agriculture Water Use and Development Study.

Your Committee received written comments in support of this measure from Russell S. Kokubun, Chairperson, Board of Agriculture; Hawaii Farm Bureau Federation; and Dave Arakawa, Executive Director, Land Use Research Foundation of Hawaii.

Your Committee finds that Act 101, Session Laws of Hawaii 1998, requires the Department of Agriculture to create an Agricultural Water Use and Development Plan. An in-depth study of irrigation systems throughout the State is already currently being conducted. This measure will provide the funding necessary for the Department of Agriculture to complete its work on the Statewide Agriculture Water Use and Development Study.

Your Committee has amended this measure by authorizing the issuance of general obligation bonds in an unspecified amount, rather than appropriating funds from the agricultural development and food 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. 1277, 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. 1277, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1143 Ways and Means on H.B. No. 1483**

The purpose and intent of this measure is to provide adequate amounts of water at a reduced rate for agricultural operations utilizing water from the Molokai irrigation system.

Specifically, this measure:

- (1) Requires the Department of Agriculture to provide water at a reduced rate to Molokai irrigation system water users who lease tracts of Hawaiian Home Lands;
- (2) Requires the Department of Agriculture to forgive past due amounts owed by lessees of Hawaiian Home Lands on Molokai for the provision of water; and
- (3) Appropriates funds to cover operational costs of the Molokai irrigation system.

Your Committee received written comments in support of this measure from one individual. Your Committee received comments on the measure from Russell S. Kokubun, Chairperson, Board of Agriculture.

Your Committee finds that the high cost of water delivery results in hardship on Hawaiian homestead farmers. Providing water to homestead lessees at a reasonable rate and forgiving past due loan amounts will promote self-sufficiency and enable lessees to manage their water costs.

Your Committee has amended this measure to allow, rather than require, the Department of Agriculture to forgive past due loan amounts owed by any lessee of Hawaiian Home Lands on Molokai for the provision of water from the Molokai irrigation system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1483, 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. 1483, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Ryan). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1144 (Majority) Ways and Means on H.B. No. 865**

The purpose and intent of this measure is to increase the fee assessed for the inspection, quarantine, and eradication of invasive species contained in any freight.

Specifically, the measure increases the fee on the net weight of imported freight from 50 cents to 75 cents for every one thousand pounds of freight, or part thereof, brought into the State.

Your Committee received written comments in support of this measure from William J. Aila, Jr., Chairperson, Board of Land and Natural Resources; Hawaii Farm Bureau Federation; and The Nature Conservancy of Hawaii.

Your Committee received comments in opposition to the measure from Mihoko E. Ito, on behalf of Air Transport Association.

Your Committee received comments on this measure from Russell S. Kokubun, Chairperson, Board of Agriculture; Tax Foundation of Hawaii; and Paul Oshiro, Manager, Government Relations, Alexander & Baldwin, Inc.

Your Committee finds that, currently, there are insufficient moneys in the general fund to cover the inspection requirements at Hawaii's air and sea ports necessary to prevent the importation of invasive species. This measure provides an alternative source of funding to help prevent the spread of invasive species in the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to take effect on approval; and

- (2) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 865, 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. 865, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Fukunaga).

**SCRep. 1145 Ways and Means on H.B. No. 1049**

The purpose and intent of this measure is to update the Insurance Code and related provisions.

Your Committee received comments in support of this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Service Association.

Your Committee finds that this measure will provide increased efficiency to the operations of the Insurance Division.

Your Committee has amended this measure by making technical amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1049, 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. 1049, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 1146 Ways and Means on H.B. No. 505**

The purpose and intent of this measure is to appropriate funds for flood mitigation efforts in various areas on the islands of Oahu, Hawaii, Kauai, and Maui.

Your Committee received written comments in support of this measure from ten individuals.

Your Committee received written comments on this measure from the Department of Transportation.

Your Committee finds that flooding causes property damage and unsafe road conditions, among other problems, and that funding is needed to assist areas where flooding has been a recurring issue.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2117, to facilitate further discussion on the measure; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 505, 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. 505, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1147 (Majority) Ways and Means on H.B. No. 786**

The purpose and intent of this measure is to increase the solid waste management surcharge to address a large revenue shortfall.

Your Committee received comments in support of this measure from Loretta J. Fuddy, Director, Department of Health.

Your Committee received comments in opposition to this measure from Timothy E. Steinberger, Director, Department of Environmental Services, City and County of Honolulu; and Gary M. Slovin, on behalf of PVT Land Company.

Your Committee finds that the State's solid waste management program is experiencing a severe revenue shortfall. An increase in the surcharge would provide additional revenues to help fund program operations.

Your Committee has amended this measure by changing the solid waste management surcharge to an unspecified amount 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. 786, 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. 786, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1148 (Majority) Ways and Means on H.B. No. 1060**

The purpose and intent of this measure is to advance the development and execution of the State's information technology strategic plan.

Specifically this measure:

- (1) Authorizes the Chief Information Officer to employ persons exempt from chapters 76, 78, and 89, Hawaii Revised Statutes;
- (2) Transfers the shared services technology special fund from the Department of Budget and Finance to the Department of Accounting and General Services;
- (3) Authorizes the Chief Information Officer and Comptroller to raise funds and accept donations for the fund;
- (4) Requires the Chief Information Officer to submit annual reports to the Governor and the Legislature; and
- (5) Appropriates moneys to fund the operations of the Chief Information Officer and the Information Technology Steering Committee, including the hiring and training of staff.

Your Committee received written comments in support of this measure from Bruce A. Coppa, Comptroller, Department of Accounting and General Services.

Your Committee finds that this measure will assist the Chief Information Officer and all stakeholders by providing a better framework for the duties and responsibilities of the Chief Information Officer and providing the necessary staffing and funding resources to accomplish those objectives.

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. 1060, 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. 1060, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, 1 (Slom). Excused, none.

**SCRep. 1149 (Majority) Ways and Means on H.B. No. 526**

The purpose and intent of this measure is to expand and support Hawaii's high technology industry by:

- (1) Requiring the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation to plan for the establishment of a high technology park or technology incubator facility on the island of Oahu; and
- (2) Appropriating funds for infrastructure for a high technology park or technology incubator facility.

Your Committee received written comments in support of this measure from Yuka Nagashima, Executive Director and Chief Executive Officer, High Technology Development Corporation; The Chamber of Commerce of Hawaii; James P. Karins, President, Pukoa Scientific; and Karl Fooks, President, Hawaii Strategic Development Corporation.

Your Committee finds that Hawaii's technology and defense-related industries are burgeoning industries that have created numerous jobs in Hawaii. As these industries continue to expand, the State must be able to meet the demand for highly skilled, highly specialized labor. This measure will help the State prepare Hawaii's current and future workforce to adequately deal with the unique challenges of working in high technology industries.

Your Committee has amended this measure by:

- (1) Requiring the Department of Business, Economic Development, and Tourism to submit a preliminary report and a final report to the Legislature no later than twenty days prior to the convening of the regular session of 2012 and 2013, respectively; 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. 526, 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. 526, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Ryan).

**SCRep. 1150 Ways and Means on H.B. No. 129**

The purpose and intent of this measure is to address the serious issue of substance abuse, especially methamphetamine, by pregnant women, by appropriating funds to continue the Path Clinic, a perinatal clinic pilot program.

Your Committee received comments in support of this measure from Gladys C. Baisa, Council Member, County Council, County of Maui; Dr. Morris Mitsunaga, President, Hawaii Medical Association; Lin Joseph, Director of Program Services, March of Dimes Hawaii Chapter; Jackie Berry, Executive Director, Healthy Mothers Healthy Babies; Amy Monk, Legislative Committee, Hawaii State Democratic Women's Caucus; Katie Reardon, Director of Government Relations & Public Affairs, Planned Parenthood of Hawaii; Jeanne Y. Ohta, Executive Director, The Drug Policy Forum of Hawaii; Pamela Lichty, MPH, President, The Drug Policy Action Group; Kat Brady, Coordinator, Community Alliance on Prisons; Rachel Dorr, MSW, Social Worker, The Path Clinic; and five individuals.

Your Committee finds that the Path Clinic pilot program has proven to be very successful and a cost-effective way to provide critical services to pregnant women who suffer from substance abuse. The Path Clinic pilot program provides its patients with a unique integration of prenatal care, social service support, parenting education, and transportation to address their addictions in a caring and nonjudgmental setting. The efficacy of the Path Clinic is evidenced by the fact that ninety-four per cent of the women treated were tested to be substance-free at the time of their infant's birth, which results in healthier mothers and children. Your Committee believes that this successful pilot program should continue to be funded.

Your Committee has amended this measure by changing the effective date to July 1, 2117, 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. 129, 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. 129, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1151 Ways and Means on H.B. No. 569**

The purpose and intent of this measure is to appropriate funds to create a wellness pilot program for Medicaid recipients or QUEST members.

Furthermore, this measure authorizes the establishment of a joint legislative task force to examine issues relating to Medicaid.

Your Committee received comments in support of this measure from Dr. Morris Mitsunaga, MD, President, Hawaii Medical Association. Your Committee received comments in opposition to this measure from Patricia McManaman, Director, Department of Human Services. Your Committee received comments on this measure from Ohana Health Plan.

Your Committee finds that the creation of a wellness pilot program can be the inspiration for programs and practices that reduce the incidence of chronic disease and promote healthier lifestyles. Your Committee further finds that creation of the task force could help find solutions to prevent future Medicaid shortfalls.

Your Committee has amended this measure by:

- (1) Requiring, rather than authorizing, the establishment of the task force;
- (2) Inviting, rather than requiring, the participation of the named private entities on the task force; 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. 569, 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. 569, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1152 Ways and Means on H.B. No. 326**

The purpose and intent of this measure is to:

- (1) Improve access to health care services for Medicaid and QUEST members in underserved areas of the State on the Big Island by allowing for the use of a mobile medical van equipped with access to telehealth services;
- (2) Implement a patient-centered health home pilot program to provide integrated health care services and preventative and lifestyle health services for Medicaid patients; and
- (3) Establish the Hawaii Medicaid Modernization and Innovation Council to develop and implement the patient-centered health home pilot program.

Your Committee received comments in support of this measure from Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Service Association; Beth Giesting, Chief Executive Officer, Hawaii Primary Care Association; D.V. Shaw, PhD, MPH, MBA, FACMP, Lanai Community Health Center; Susan B. Hunt, MHA, Chief Executive Officer, Hamakua Health Center, Inc.; and four individuals.

Your Committee received comments in opposition to this measure from Patricia McManaman, Director, Department of Human Services.

Your Committee received comments on this measure from Dr. Morris Mitsunaga, MD, President, Hawaii Medical Association.

Your Committee finds that the mobile medical van program will increase access to medical care in underserved rural areas of the State where lower-income residents may not have ready access to medical facilities or health services. The addition of telehealth capabilities to the mobile medical van will expand the provision of services beyond what is simply available on-site and allow consultations with medical specialists and clinics in other parts of the State or country.

Your Committee also finds that the patient-centered health home model of health care coordination and delivery will be effective in providing Medicaid patients with access to comprehensive integrated health care services that emphasize preventative care and healthy lifestyle choices. Your Committee believes that this program will improve patient outcomes while reducing long-term health care costs, especially among patients with chronic health conditions that require continual aggressive management. Your Committee further finds that the Medicaid Modernization and Innovation Council, made up of representatives of many specialties and organizations within the health care delivery industry in Hawaii, will be an effective means of implementing a pilot patient-centered health home program.

Your Committee has amended this measure by:

- (1) Clarifying the intent of the mobile medical van program to serve as wide a segment of the low-income and rural population of the Kona and Kau communities as possible; and
- (2) Amending the effective date of this measure to July 1, 2117, to encourage further discussion on these issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 326, 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. 326, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1153 Ways and Means on H.B. No. 758**

The purpose and intent of this measure is to provide funding to the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to upgrade equipment and facilities for the Hoopono program.

Your Committee received written comments in support of this measure from Ronalene White, Vice President, Anuenue Chapter, National Federation of the Blind of Hawaii. Your Committee received comments on this measure from Patricia McManaman, Director, Department of Human Services.

Your Committee finds that the appropriation in this measure will enable the Hoopono program to upgrade its equipment and facilities to provide services for the blind and visually-impaired that assist participants in attaining maximum vocational and functional independence, such as becoming proficient with the long cane and other skills.

Your Committee has amended this measure by changing the amount of the appropriation and the amount of general obligation bonds that the Director of Finance is authorized to issue to unspecified sums.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 758, 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. 758, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1154 Ways and Means on H.B. No. 594**

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to match the federal Medicaid disproportionate share hospital allowance allocated to the State.

Your Committee received written comments in support of this measure from Rick Keene, Executive Vice President and Chief Financial Officer, The Queen's Health Systems. Your Committee received comments on this measure from Patricia McManaman, Director, Department of Human Services.

Your Committee finds that the matching funds appropriated in this measure are necessary to draw on the federal Medicaid disproportionate share hospital funds allocated to the State. Your Committee further finds that the combined state and federal funding will help provide continuing health care in Hawaii's communities.

Your Committee has amended this measure by changing the appropriation and all amounts and percentages that the State is obligated to provide to unspecified sums and percentages, 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. 594, 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. 594, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1155 Ways and Means on H.B. No. 404**

The purpose and intent of this measure is to authorize issuance of special purpose revenue bonds to assist Palolo Chinese Home, a Hawaii not-for-profit corporation, and its not-for-profit subsidiaries, to finance the expansion, construction, and rebuilding of its health care facilities.

Your Committee finds that it is in the public interest and for the public health, safety, and general welfare to economically assist in the improvement of the health care system for residents of the State. The measure will allow the Palolo Chinese Home to expand its service to the community by providing additional nursing and care home beds for seniors.

Your Committee has amended this measure by:

- (1) Inserting \$40,000,000 as the amount of authorized special purpose revenue bonds; and
- (2) Changing the effective date to July 1, 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. 404, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 404, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1156 Ways and Means on H.B. No. 1036**

The purpose and intent of this measure is to protect the status of the Employees' Retirement System as a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code, by amending the State's pension and retirement systems law to adopt language required under the federal Heroes Earnings Assistance and Relief Tax Act of 2008, Public Law No. 110-245.

Your Committee finds that the Heroes Earnings Assistance and Relief Tax Act imposes requirements on tax-qualified retirement plans regarding benefits payable to the survivors of members who have died while performing qualified military service. Your Committee notes that although existing provisions of chapter 88, Hawaii Revised Statutes, provide the benefits required by the Heroes Earnings Assistance and Relief Tax Act, this measure will amend chapter 88, Hawaii Revised Statutes, to include the specific wording required by the Heroes Earnings Assistance and Relief Tax Act to maintain the tax-qualified status of the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Correcting cross-references to parts of the Hawaii Revised Statutes;
- (2) Adding the term "civil union" to a provision regarding information provided to the Employees' Retirement System by its members, to maintain consistency with other provisions of 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. 1036, 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. 1036, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1157 Ways and Means on H.B. No. 915**

The purpose and intent 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.

Your Committee received written comments in support of this measure from Frederick D. Pablo, Director, Department of Taxation; Gary T. Kurokawa, Administrator, Real Property Assessment Division, City and County of Honolulu; Scott K. Teruya, Administrator, Real Property Tax Division, Department of Finance, County of Maui; and Stanley A. Sitko, Administrator, Department of Finance - Real Property Tax, County of Hawaii.

Your Committee finds that this measure will assist the counties in promptly tracking 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 time by which the Director of Taxation shall provide the administrator of each county's real property assessment division images of certificates filed from ten days after the end of each week to twenty-one business days after the end of each week; and
- (2) Making the measure effective on July 1, 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. 915, 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. 915, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1158 Ways and Means on H.B. No. 318**

The purpose and intent of this measure is to study the impact and address the effect of vog on Hawaii's people by establishing the County of Hawaii Interagency Task Force on Vog and requiring the task force to report its findings and recommendations to the Legislature.

Your Committee received comments in support of this measure from the Hawaii Farm Bureau Federation and one individual.

Your Committee finds that the presence of vog in the atmosphere detrimentally affects health, particularly in school children; agriculture, including farm and ranch animals; public infrastructure; and the visitor industry. This measure will enable the State to review the impact of vog and recommend strategies to improve the quality of life in Hawaii.

Your Committee has amended this measure by:

- (1) Deleting language that places the task force in the civil defense agency of Hawaii County and replacing it with language that places the task force in "the civil defense agency of a county with an active volcano from which vog emanates" to ensure that the provision meets the requirement that legislative enactments be of statewide concern;
- (2) Adding the Director of Health as a member of the task force;
- (3) Specifying which district health officer shall be a member of the task force;
- (4) Changing the effective date to July 1, 2011; and

- (5) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 318, 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. 318, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1159 Ways and Means on H.B. No. 130**

The purpose and intent of this measure is to require the Department of Public Safety to:

- (1) Determine the number of incarcerated women who are eligible for reintegration into the community; and
- (2) Contract with providers of gender-responsive community services to assist incarcerated women in successfully transitioning back into the community.

Your Committee received comments in support of this measure from Gladys C. Baisa, Council Member, County Council, County of Maui; Pamela Lichty, MPH, President, The Drug Policy Action Group; Kat Brady, Coordinator, Community Alliance on Prisons; Mervina K. M. Cash-Kaeo, President and Chief Executive Officer, ALU LIKE, Inc.; Hardy Spoehr, Executive Director, Papa Ola Lokahi; and four individuals.

Your Committee finds that, while the number of incarcerated women in Hawaii has increased at an alarming rate, the vast majority of these women are nonviolent offenders. Your Committee further finds that incarceration is not an effective method to deal with the root problems that lead to the destructive behavior, including drug addiction, faced by women being held for nonviolent offenses. Your Committee believes that this measure offers an array of gender-responsive services, including family reunification, employment, education opportunities, and housing that will assist incarcerated women in successfully transitioning back into the community.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2117, 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 H.B. No. 130, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 130, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1160 (Majority) Ways and Means on H.B. No. 605**

The purpose and intent of this measure is to establish the reduced ignition propensity cigarette program special fund as a mechanism for the State Fire Council to fund administrative staff positions and carry out the duties of the Reduced Ignition Propensity Cigarette Program.

Your Committee received comments in support of this measure from Kenneth G. Silva, Chair, State Fire Council and Fire Chief of the Honolulu Fire Department; Jeffrey A. Murray, Fire Chief, Department of Fire and Public Safety, County of Maui; and Robert F. Westerman, Fire Chief, Kauai Fire Department, County of Kauai.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that the Reduced Ignition Propensity Cigarette Program is administered by the State Fire Council and is designed to reduce accidental fires in Hawaii. However, there is a need for a limited number of full-time staff to administer the program. Your Committee further finds that, since 2009, approximately \$390,000 in fees have been collected from cigarette manufacturers to fund various oversight activities of the program. The creation of a reduced ignition propensity cigarette program special fund for the fees collected would provide a dedicated source of funding for staff needed to administer the program.

Your Committee has amended this measure by:

- (1) Making technical non-substantive amendments for the purposes of clarity and style.
- (2) Changing the effective date to July 1, 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. 605, 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. 605, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 2 (Kim, Slom). Excused, 2 (Dela Cruz, English).

**SCRep. 1161 Ways and Means on H.B. No. 492**

The purpose and intent of this measure is to protect the public safety and security by ensuring that certain operational deficiencies of the Sheriff Division of the Department of Public Safety are corrected effectively and efficiently.



Your Committee received comments in support of this measure from Robin Nagamine, Lieutenant, Sheriff Division, Department of Public Safety; Lt. Michael Oakland, Commander, Airport Patrol Section, Sheriff Division, Department of Public Safety; Nora A. Nomura, Deputy Executive Director, Hawaii Government Employees Association; and six individuals.

Your Committee finds that this measure addresses the operational deficiencies of the Sheriff Division identified by Auditor Report No. 10-06, "Audit of the Department of Public Safety, Sheriff Division". Specifically, this measure requires the Department of Public Safety to develop and implement a comprehensive strategic plan that shall, among other things:

- (1) Pursue accreditation for the Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc.;
- (2) Correct inefficiencies in the warrant process by reducing the backlog of warrants to be served, improving the Sheriff Division's radio system, and relocating the receiving desk from Halawa Correctional Facility; and
- (3) Address departmental leadership concerns by developing and implementing internal controls in accordance with the Committee of Sponsoring Organizations of the Treadway Commission's internal control-integrated framework.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2117, to facilitate further discussion on 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 492, 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. 492, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1162 (Majority) Ways and Means on H.B. No. 985**

The purpose and intent of this measure is to authorize the use of a two-step design-build procurement process to procure contracts for public construction projects.

In addition, this measure provides for the payment of a conceptual design fee to qualified offerors who submit a technically responsive design-build proposal but who are not awarded the contract.

Your Committee received comments in support of this measure from Daniel Chun, Government Affairs Chair, American Institute of Architects; John Katahira, P.E., Past-President, American Council of Engineering Companies of Hawaii; Lance M. Inouye, President and Chief Executive Officer, Ralph S. Inouye Co., Ltd.; Douglas B. Lee, P.E., Vice President, Brown and Caldwell; Raymond N. Matasci, P.E., Vice President, Brown and Caldwell; John H. Katahira, President, The Limtiaco Consulting Group; Kenneth Ishizaki, P.E., Executive Vice President, Engineering Concepts, Inc.; Richard M. Moss, P.E., President, Moss Engineering, Inc.; Glen Y. F. Lau, P.E., President, Pacific Geotechnical Engineers, Inc.; Roy K. Yamashiro, P.E., Principal, Consulting Structural Hawaii, Inc.; Joel Yuen, P.E., President, InSynergy Engineering, Inc.; and Richard E. Frey, P.E., Vice President, Kennedy/Jenks Consultants.

Your Committee received comments in opposition to this measure from the Department of Transportation.

Your Committee received comments on this measure from Aaron S. Fujioka, Administrator, State Procurement Office.

Your Committee finds that the two-step design-build procurement process will encourage the selection of the most qualified contactors to design and construct complex public infrastructure. In addition, your Committee finds that payment of a conceptual design fee to qualified offerors will help offset the costs of preparing a proposal, thus making it possible for smaller local firms to compete with larger national firms for public construction contracts.

Your Committee has amended this measure by changing the effective date to July 1, 2117, 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. 985, 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. 985, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Chun Oakland, Ryan, Wakai). Noes, 3 (Kidani, Kim, Slom). Excused, 2 (Dela Cruz, English).

**SCRep. 1163 Ways and Means on H.B. No. 1056**

The purpose and intent of this measure is to allow the Department of Education to determine alternative routes to certification for school principals and vice-principals by allowing candidates for these positions to be certified based on experience that is equivalent to appropriate school-level experience, as determined by the department.

Your Committee finds that current standards for the certification of principals and vice-principals are too restrictive and conflict with requirements of the federal Race to the Top grant program, which provides educational funds to states that advance educational reform, including the provision of alternative routes to certification for teachers and principals. This measure will allow the Department of Education to determine appropriate equivalent experience for principal and vice-principal certification, to comply with Race to the Top grant requirements and help the department attract and retain qualified administrators for public schools.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1056, 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. 1056, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1164 (Majority) Ways and Means on H.B. No. 953**

The purpose and intent of this measure is to improve the ability of the Department of Education to recruit education officials by changing the salary cap for the deputy superintendent, assistant superintendents, and complex area superintendents from eighty percent of the superintendent's salary to an amount not to exceed the superintendent's salary.

Your Committee finds that increasing the salary cap for deputy, assistant, and complex area superintendents will attract a greater pool of candidates for these positions, enhance competition, and improve the ability of the State to recruit the most qualified and experienced individuals.

Your Committee has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 953, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 953, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 1165 Ways and Means on H.B. No. 159**

The purpose and intent of this measure is to improve charter school governance and accountability.

Specifically, this measure amends the laws governing charter schools by:

- (1) Increasing the percentage of the annual charter school general fund allocation that the Charter School Administrative Office withholds for operational expenses, from two percent to five percent, provided that the office submits an annual report to the Legislature accounting for its operational expenses;
- (2) Allowing a charter school to appeal to the Board of Education regarding a denial of reauthorization of its charter by the Charter School Review Panel;
- (3) Specifying that the Charter School Review Panel's powers to address charter school issues include special monitoring and temporary withholding of an allocation for non-compliance issues;
- (4) Specifying the local school boards' oversight of charter schools and requiring the Charter School Review Panel to ensure that local school boards are fulfilling this responsibility;
- (5) Authorizing the Charter School Review Panel, after working with the local school board to address deficiencies in the local school board's fulfillment of its oversight responsibilities, to require the local school board to undergo mandatory board training and to reconstitute the local school board if necessary; and
- (6) Requiring local school boards to:
  - (A) Make the names of board members and officers publicly available at the board's office or the Charter School Administrative Office, and on the board's or charter school's website;
  - (B) Meet at least quarterly; and
  - (C) Adopt and make publicly available the policies, procedures, and bylaws necessary to fulfill the boards' duties, including ethical standards of conduct relating to conflicts of interest and developed with the charter schools.

Your Committee received comments in opposition to this measure from Curtis Muraoka, Vice-President, Hawaii Charter Schools Network.

Your Committee received comments on this measure from Kalei Kailihiwa, Director, Hoolako Like of Kamehameha Schools.

Your Committee finds that this measure provides additional resources for charter school administration and clarifies the duties and responsibilities of the Charter School Review Panel and the local school boards to ensure that all charter schools are meeting their educational goals.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 159, 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. 159, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 1166 Ways and Means on H.B. No. 4**

The purpose and intent of this measure is to help ensure educational stability and transferability for the children of military personnel who transfer to Hawaii by, among other things:

- (1) Making permanent the Interstate Compact on Educational Opportunity for Military Children; and
- (2) Clarifying military representation on the State Council on Educational Opportunity for Military Children within the Board of Education.

Your Committee received comments in support of this measure from Kathleen F. Berg, Hawaii State Commissioner, Military Interstate Children's Compact Commission; and Laurie Crehan, Ed.D., Quality of Life Regional Liaison, Office of the Assistant Secretary of Defense, Military Community & Family Policy.

Your Committee finds that the mobile lifestyle of military families creates special challenges for the children of military service members. In addition, these children often suffer the anxiety of being separated from a parent who is deployed, possibly to an area of dangerous military conflict. This measure addresses these issues by making permanent the Interstate Compact on Educational Opportunity for Military Children, which was designed to help overcome educational transition issues of children of military families and to help ease the strain on families due to deployment.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 4, 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. 4, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 14. Noes, none. Excused, none.

**SCRep. 1167 (Majority) Ways and Means on H.B. No. 1322**

The purpose and intent of this measure is to:

- (1) Convert certain revolving funds of the University of Hawaii into special funds; and
- (2) Repeal certain funds of the University of Hawaii and transfer the remaining balances to specified alternate funds.

Your Committee received written comments in support of this measure from Howard Todo, Vice President for Budget & Finance/Chief Financial Officer, University of Hawaii System.

Your Committee finds that the University of Hawaii System currently has over forty-five special, revolving, and trust funds. Your Committee further finds that repealing or reclassifying certain funds will provide the University of Hawaii System with greater flexibility and increased efficiency in the use and management of these funds.

Your Committee has amended this measure by:

- (1) Making a conforming amendment to reflect the conversion of the discoveries and inventions revolving fund into a special fund;
- (2) Correcting a reference to the University of Hawaii commercial enterprises revolving fund; and
- (3) Changing the effective date to July 1, 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. 1322, 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. 1322, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 1168 Ways and Means on H.B. No. 1009**

The purpose and intent of this measure is to require the Hawaii Criminal Justice Data Center to indefinitely retain fingerprints and records relating to fingerprints of employment and licensing applicants for whom criminal history record checks are required by law.

Your Committee received written comments in support of this measure from the Department of the Attorney General; Patricia McManaman, Director, Department of Human Services; and Noel T. Ono, Director, Department of Human Services, City and County of Honolulu.

Your Committee finds that requiring the Hawaii Criminal Justice Data Center to indefinitely retain fingerprints will allow the State to implement a statewide Rap Back program, which is a new Federal Bureau of Investigation program that would allow employers to request notification if applicants are arrested in the future.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2011; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1009, 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. 1009, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1169 Ways and Means on H.B. No. 1076**

The purpose and intent of this measure is to statutorily authorize the use of federal moneys made available in 2009 pursuant to the special transfer provision of Section 903(g) of the Social Security Act, so that the federal moneys can be used to pay for the State's Unemployment Insurance Program administrative expenses.

Your Committee received written comments in support of this measure from Dwight Takamine, Director, Department of Labor and Industrial Relations.

Your Committee finds that this measure will allow the Unemployment Insurance Division of the Department of Labor and Industrial Relations to cover expenses for new internet applications, improve the interactive voice response system, improve the tax system, improve the capability of the benefit system, enhance the division's website to respond to claimants' and employers' need for information, and commence required system security assessments.

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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1076, 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. 1076, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1170 Ways and Means on H.B. No. 1070**

The purpose and intent of this measure is to promote the efficient use of criminal justice resources by establishing a maximum one-year period of post-acquittal conditional release for persons charged with a petty misdemeanor, misdemeanor, or violation.

Your Committee received comments in support of this measure from Loretta J. Fuddy, Director, Department of Health; and Louis Erteschik, Staff Attorney, Hawaii Disability Rights Center.

Your Committee received comments in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that persons acquitted of criminal charges by reason of physical or mental disease, disorder, or defect may be subsequently released to the community on a post-acquittal conditional release after a court determines that the person can be adequately controlled and given proper care, supervision, and treatment.

However, there are many instances of individuals who remain on conditional release far in excess of the maximum penalty allowed for the offense charged. According to the Department of Health, ninety per cent of persons on conditional release in Hawaii for a misdemeanor or petty misdemeanor are kept on conditional release longer than they would have spent on maximum jail time or on probation for the same offense, sometimes up to twenty times longer. This results in an increased burden on both staff and financial resources at district courts, probation offices, mental health centers, and hospitals. This measure establishes a specific time limit on the conditional release of individuals charged with lesser offenses, to increase the availability of resources for more serious offenders.

Your Committee has amended this measure by changing the effective date to July 1, 2117, 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. 1070, 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. 1070, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1171 Ways and Means on H.B. No. 1513**

The purpose and intent of this measure is to continue and expand the "weed and seed" strategy to prevent, control, and reduce violent crime, drug abuse, and gang activity in Hawaii.

Specifically, this measure:

- (1) Establishes a permanent weed and seed program within the Department of Labor and Industrial Relations; and
- (2) Appropriates funds to maintain and expand the operations of the weed and seed program.

Your Committee received written comments in support of this measure from Mila Kahaanui, Executive Director, Office of Community Services, Department of Labor and Industrial Relations; Kelli Buenconsejo, RN, Leeward Oahu Nursing Office, Department of Health; Michael F. Broderick, President and Chief Executive Officer, YMCA of Honolulu; Glenn Muranaka, President and General Manager, Meadow Gold Dairies; Sharene Saito Tam, Assistant Vice President, Haseko Development, Inc.; Walter Osakoda, Treasurer, Waipahu Community Association; Carol Brack, Executive Vice President and Property Manager, Waipahu Town

Center; Ala Moana-Sheridan-McCully, Waipahu, and Ewa Weed and Seed Committees; Paul S. Taga, Principal, Waipahu Elementary School; Gale Mejia, Waipahu Project Director, GEAR UP; Frances Rivero, Director, Hale Pono Clubhouse; and 1521 individuals.

Your Committee received comments on the measure from Dwight Y. Takamine, Director, Department of Labor and Industrial Relations.

Your Committee finds that the collaborative strategy of the weed and seed program has proven successful in one hundred fifteen sites across the nation, including the six Oahu-based sites. This measure will enable the State to expand the program and improve its efforts to prevent violent crimes, drug abuse, and gang activity throughout Hawaii.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2117, to facilitate further discussion on the measure; and
- (2) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1513, 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. 1513, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1172 Ways and Means on H.B. No. 519**

The purpose and intent of this measure is to exclude certain individuals from coverage under the State's workers' compensation law. Specifically, the measure changes the definition of "employment" under the workers' compensation law to exclude services performed by the following individuals:

- (1) A member of a limited liability company who has a distributional interest in the company of not less than fifty per cent;
- (2) A partner of a limited liability partnership who has a transferable interest in the partnership of not less than fifty per cent;
- (3) A partner of a partnership; and
- (4) A sole proprietor.

Your Committee received comments in support of this measure from The Chamber of Commerce of Hawaii; Melissa Pavlicek, National Federation of Independent Business; and Carol Pregill, President, Retail Merchants of Hawaii.

Your Committee finds that measure will help small business employers reduce overhead costs by eliminating mandated coverage for these individuals under chapter 386, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon approval; and
- (2) Making a technical, nonsubstantive amendment to accurately reflect existing statutory provisions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, 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. 519, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1173 Ways and Means on H.B. No. 1001**

The purpose and intent of this measure is to appropriate funds to satisfy claims against the State or its officers or employees for tax overpayments, refunds, reimbursements, payments of judgments or settlements, or other liabilities.

Your Committee received comments in support of this measure from the Department of the Attorney General.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1001, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1001, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1174 Ways and Means on H.B. No. 801**

The purpose and intent of this measure is to clarify the Department of Taxation's subpoena authority for civil and criminal tax investigations.

Specifically, the measure:

- (1) Clarifies the Department of Taxation's authority to issue subpoenas in civil and criminal inquiries, investigations, or hearings;

- (2) Allows for the subpoena of records that are stored electronically;
- (3) Sets forth the reimbursement rate for the reproduction of records; and
- (4) Clarifies that compliance with a subpoena issued by the Department shall not give rise to a civil action for damages.

Your Committee received comments in support of this measure from Frederick D. Pablo, Director, Department of Taxation.

Your Committee finds that this measure will further the Department of Taxation's ability to administer the State's tax laws fairly, consistently, and uniformly.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon approval; 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 H.B. No. 801, 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. 801, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1175 (Majority) Ways and Means on H.B. No. 1085**

The purpose and intent of this measure is to amend the State's controlled substances law.

Specifically, the measure:

- (1) Makes the Hawaii statutes on controlled substances consistent with federal laws on controlled substances;
- (2) Adds substances of concern to the list of controlled substances that must be electronically reported to Hawaii's electronic prescription monitoring program; and
- (3) Increases the fee for the registration certificate for qualifying patients for the medical use of marijuana.

Your Committee received comments in support of this measure from Department of the Prosecuting Attorney, City and County of Honolulu; and Myron Berney, ND LAc, Medicine Buddhas and Bodhisattvas Natural Cancer Wellness Foundation.

Your Committee received comments in opposition to this measure from Jeanne Y. Ohta, Executive Director, Drug Policy Forum of Hawaii; Andrea Tischler, Co-Chair, Big Island Chapter Americans for Safe Access; and fifteen individuals.

Your Committee notes that the majority of the testimony in opposition to this measure regarded the increase in the fee charged for registration certificates to qualifying patients for the medical use of marijuana.

Your Committee has amended this measure by:

- (1) Correcting the name of a controlled substance; and
- (2) Changing the fee charged for registration certificates to qualifying patients for the medical use of marijuana to an unspecified amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1085, 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. 1085, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 2 (Dela Cruz, English).

**SCRep. 1176 Ways and Means on H.B. No. 354**

The purpose and intent of this measure is to improve the procedures for small claims tax appeals by:

- (1) Prohibiting pretrial discovery; and
- (2) Limiting costs and fees awarded to the prevailing party to fees paid directly to the court in the course of conducting the tax appeal.

Your Committee received comments in support of this measure from Larry J. Shapiro, JD.

Your Committee received comments in opposition to this measure from Gary T. Kurokawa, Administrator, Real Property Assessment Division, City and County of Honolulu; Stanley A. Sitko, Real Property Tax Administrator, Department of Finance, County of Hawaii; and Sally A. Motta, Deputy Finance Director, Department of Finance, Real Property Assessment, County of Kauai.

Your Committee received comments on this measure from Tax Foundation of Hawaii.

Your Committee finds that the procedures in Hawaii for resolving tax appeals of less than \$1,000 are intended to be streamlined and informal. By prohibiting pre-trial discovery and limiting the award of costs and fees for these appeals, this measure will further reduce the unnecessary expenditure of time and resources on small claims cases, while promoting the inexpensive and speedy resolution of these tax disputes.

Your Committee has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 354, 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. 354, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1177 Ways and Means on H.B. No. 1063**

The purpose and intent of this measure is to augment the Department of Hawaiian Home Lands' ability to award homesteads and home ownership opportunities to its beneficiaries by increasing the State's limit of liability for Department of Hawaiian Home Land guarantees of loans to lessees from \$50,000,000 to an unspecified amount.

Your Committee received written comments in support of this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that since Hawaiian home lands are inalienable, the Department of Hawaiian Home Lands is required to guarantee mortgage loans made for homes located on Hawaiian home lands when lenders do not have a loan assurance program. This measure will help the Department provide more home ownership opportunities to beneficiaries, allow more construction of affordable units, and benefit Hawaii's construction industry and economy.

Your Committee has amended this measure by changing the effective date to July 1, 2117, 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. 1063, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1063, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1178 Ways and Means on H.B. No. 397**

The purpose and intent of this measure is to allow for better oversight of the disposition of public lands.

Specifically, the measure accomplishes this by:

- (1) Requiring more specificity in all concurrent resolutions for the review of proposed exchanges, sales, or gifts of state land, including whether the land was classed as government or crown lands prior to August 15, 1895; and
- (2) Requiring that a draft copy of the concurrent resolution be submitted to the Office of Hawaiian Affairs at least three months prior to the appropriate legislative session.

Your Committee received comments in support of this measure from the Office of Hawaiian Affairs; and Karen Seddon, Executive Director, Hawaii Housing Finance and Development Corporation.

Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee finds that Act 176, Session Laws of Hawaii 2009, established a more comprehensive process for the sale or gift of state-owned land. During the 2010 Regular Session, substantial numbers of concurrent resolutions relating to the sale or gift of state land moved through both houses of the Legislature. However, the concurrent resolutions did not provide information sufficient for all stakeholders to give adequate consideration to the proposed transactions.

Your Committee further finds that this measure will provide the information and time necessary for the Legislature and the Office of Hawaiian Affairs to fulfill their respective roles in a timely and efficient manner.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 397, 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. 397, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1179 Ways and Means on H.B. No. 1020**

The purpose and intent of this measure is to:

- (1) Revise the boundaries of the Aloha Tower complex;
- (2) Reduce the number of members of the Board of Directors of the Aloha Tower Development Corporation from seven to three;
- (3) Place the Aloha Tower Development Corporation under the Department of Transportation for administrative purposes; and
- (4) Repeal the Harbors Modernization Group.

Your Committee received written comments in support of this measure from Richard C. Lim, Director, Department of Business, Economic Development, and Tourism; and Anthony J. H. Ching, Executive Director, Hawaii Community Development Authority.

Your Committee finds that it is imperative that the Aloha Tower Development Corporation be maintained in order to provide stability for the prospective purchase of the Aloha Tower Marketplace and ensure that harbor improvement projects are executed in an expeditious manner.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purpose of consistency and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1020, 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. 1020, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Ryan).

**SCRep. 1180 (Majority Ways and Means on H.B. No. 1082)**

The purpose and intent of this measure is to: establish a conservation and resources enforcement special fund, to be administered by the Department of Land and Natural Resources, to provide funding for the protection of the State's natural, cultural, and historic resources; and appropriate funds for this purpose.

Your Committee received written comments in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; and one individual.

Your Committee finds that there are many costs associated with protecting the State's natural, cultural, and historic resources, including but not limited to training, research, equipment, data collection and development, and hiring consultants or other contractors. This measure will permit the Department of Land and Natural Resources to receive supplemental funding to protect and conserve state resources from a wider variety of revenues, including grants and gifts from public and private sources, and various fees and penalties.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2117, to facilitate further discussion on the measure; and
- (2) Making technical amendments to eliminate redundant language for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1082, 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. 1082, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, English, Ryan).

**SCRep. 1181 Ways and Means on H.B. No. 491**

The purpose and intent of this measure is to require the Department of Public Safety to seek and obtain accreditation for the Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc.

Your Committee received comments in support of this measure from Robin Nagamine, Lieutenant, Sheriff Division, Department of Public Safety; Lt. Michael Oakland, Commander, Airport Patrol Section, Sheriff Division, Department of Public Safety; and twelve individuals.

Your Committee finds that the Sheriff Division of the Department of Public Safety shoulders responsibilities that are integral to preserving the public peace and safety. A management audit of the Sheriff Division conducted pursuant to Act 162, Session Laws of Hawaii 2009 and House Concurrent Resolution No. 92, H.D. 1 (2009), found, among other things, that the Sheriff Division is bereft of the training and equipment necessary to fulfill its mission. The audit made a number of recommendations including that the Department of Public Safety seek accreditation for the Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc., to ensure that proper law enforcement policies and procedures are enacted and followed.

Your Committee further finds that by requiring the Department of Public Safety to pursue and obtain accreditation for the Sheriff Division, the Department will have to adopt policies and procedures that address long-standing issues regarding administration, personnel management, including training, and operations. This will improve performance, foster community and staff confidence in the Sheriff Division, and improve public safety.

Your Committee has amended this measure by changing the effective date to July 1, 2117, 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. 491, 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. 491, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1182 Ways and Means on H.B. No. 389**

The purpose and intent of this measure is to establish the Heeia community development district on the island of Oahu to develop culturally appropriate agriculture, education, and natural resource restoration and management of the Heeia wetlands.



Your Committee received written comments in support of this measure from Jesse K. Souki, Interim Director, Office of Planning, Department of Business, Economic Development, and Tourism; and The Nature Conservancy.

Your Committee received comments on the measure from Kalbert K. Young, Director, Department of Budget and Finance; and the Department of the Attorney General.

Your Committee finds that in March 2010, a thirty-eight-year lease for the Heeia wetlands was granted by the Hawaii Community Development Authority to the nonprofit corporation Kakoo Oiwi. The establishment of the Hawaii Community development district will help Kakoo Oiwi fulfill its goal of restoring the wetlands, eliminating invasive species in the area, and establishing an agricultural and educational center that will contribute to the community at large.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, 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. 389, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1183 Ways and Means on H.B. No. 850**

The purpose and intent of this measure is to implement a community-based fishery resource management area program for the island of Lanai that includes the establishment of an advisory committee within the Department of Land and Natural Resources to develop traditional fishery management practices and to advise the department on proposed rules for the take of fishery resources.

Your Committee received comments in support of this measure from Robbie Alm, Executive Vice-President, Hawaiian Electric Company, Inc.; and two individuals.

Your Committee received comments on this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee finds that this measure will be beneficial to the management of natural resources on the island of Lanai by encouraging the development of traditional fishery management practices and sustainable use of marine resources.

Your Committee has amended this measure by changing the effective date to July 1, 2117, 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. 850, 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. 850, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Ryan).

**SCRep. 1184 Ways and Means on H.B. No. 496**

The purpose and intent of this measure is to determine the feasibility of using phytoremediation as an environmentally responsible means of removing pollutants and improving water clarity in Lake Wilson.

Specifically, this measure:

- (1) Establishes a pilot project within the Department of Land and Natural Resources to demonstrate the effectiveness of phytoremediation using plants that are native to Hawaii;
- (2) Appropriates funds for the pilot project; and
- (3) Requires the Department of Land and Natural Resources to submit a report of its finding and recommendations to the Legislature.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs.

Your Committee received comments on the measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee finds that Lake Wilson, Hawaii's largest reservoir, has the potential to be used for agricultural and other uses on Oahu's North Shore if the condition and quality of the water were improved. The phytoremediation pilot project proposed under this measure will help bring Lake Wilson's water quality to acceptable levels so that it may be used to water crops and provide broader recreational opportunities along the lake.

Your Committee has amended this measure by changing the effective date to July 1, 2117, 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. 496, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 496, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1185 (Majority) Ways and Means on H.B. No. 1570**

The purpose and intent of this measure is to assist the livestock industry to stabilize its operations by:

- (1) Making qualified producers of goat milk eligible for the Livestock Revitalization Program, which provides reimbursements for a percentage of feed expenses; and
- (2) Appropriating funds to reimburse qualified beef, cattle, dairy, hog, poultry, and goat farms under the Livestock Revitalization Program and for administrative costs of the program.

Your Committee received written comments in support of this measure from Russell S. Kokubun, Chairperson, Board of Agriculture; Phyllis Shimabukuro-Geiser, President, Mikilua Poultry Farm, Inc.; Jeffrey Peterson, Manager, Land O Lakes Purina Feeds; Roy Kaneshiro, Owner, K. K. Poultry Farm, Inc.; Sharon Peterson Cheape, Vice President, Hawaii Egg Producers Cooperative and Petersons' Upland Farm; and three individuals.

Your Committee finds that feed is very costly for livestock producers in Hawaii. Several local dairies and egg farms have already gone out of business, primarily due to the rising cost of feed for livestock animals and the resulting increase in production costs.

With additional financial support, fewer livestock production companies will go out of business, the livestock industry will be able to grow its operations, and the State will continue to reduce its dependence on imported foods.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1570, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Ryan). Noes, 2 (Wakai, Slom). Excused, none.

**SCRep. 1186 (Majority) Ways and Means on H.B. No. 1203**

The purpose and intent of this measure is to permit continued use by policy makers of physician workforce assessment information.

Specifically, this measure:

- (1) Makes the physician workforce assessment fee permanent;
- (2) Removes the expenditure cap from the John A. Burns School of Medicine Special Fund;
- (3) Specifies the issues to be addressed in the physician assessment and workforce planning funded by the physician assessment fee; and
- (4) Requires the John A. Burns School of Medicine to provide an annual report to the Legislature regarding the school's physician workforce assessment and planning activities.

Your Committee received written comments in support of this measure from Virginia S. Hinshaw, Chancellor, and Jerris Hedges, Dean, John A. Burns School of Medicine, University of Hawaii at Manoa; and Dr. Morris Mitsunaga, President, Hawaii Medical Association.

Your Committee received comments on this measure from the Hawaii Medical Board.

Your Committee finds that the physician workforce assessment has helped policy makers gather reliable information for use in creating policy that furthers the ability of physicians to meet the medical needs of Hawaii's population. Making the physician workforce assessment fee permanent will secure the benefits of this program for the future.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1203, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Slom). Excused, none.

**SCRep. 1187 Ways and Means on H.B. No. 270**

The purpose and intent of this measure is to reduce costs and avoid the unnecessary expenditure of time and resources for the counties and requestors of easements by eliminating the public auction requirement in the disposition of easements.

Your Committee finds that, although the counties receive many requests for easements that only benefit the requester, the counties are required to set up public auctions even after obtaining county council approvals for the easements. Your Committee further finds that the elimination of the public auction requirement will do away with a timely, costly, and unnecessary process in the granting of easements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 270, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1188 Ways and Means on H.B. No. 744**

The purpose and intent of this measure is to:

- (1) Provide that certain dams and related reservoirs that are designated as important agricultural lands shall be included in the total acreage calculation for important agricultural lands;

- (2) Make those dams and related reservoirs eligible for the incentives now available to important agricultural lands under section 205-46, Hawaii Revised Statutes; and
- (3) Establish a dam safety task force to recommend actions to be taken by the Engineering Division of the Department of Land and Natural Resources in its administration of the Hawaii Dam Safety Program.

Your Committee received written comments in support of this measure from Dave Arakawa, Executive Director, Land Use Research Foundation of Hawaii; the Hawaii Farm Bureau Federation; and David Tarnas, Oaea Agricultural Park. Your Committee received written comments in opposition to this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources. Your Committee received comments on this measure from Jesse K. Souki, Interim Director, Office of Planning, Department of Business, Economic Development, and Tourism; and Paul Oshiro, Manager, Government Relations, Alexander & Baldwin, Inc.

Your Committee finds that dams and reservoirs are critical to the conduct of agricultural operations and businesses. Making important agricultural land incentives available to dams and reservoirs will help preserve these critical economic assets. Your Committee also finds that the task force established by this measure would create a structure in which public and private stakeholders can collaborate, evaluate impacts, and make recommendations to policy makers regarding the Hawaii Dam Safety Program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 744, 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, 2 (Dela Cruz, English).

**SCRep. 1189      Ways and Means on H.B. No. 1505**

The purpose and intent of this measure is to establish the State Facility Renovation Partnership Program, under which the Department of Accounting and General Services may sell certain state office facilities to private investors who agree to renovate, improve, or construct a facility to then be leased to the State.

Your Committee received written comments in support of this measure from Andres Albano, Jr., Senior Vice President, CB Richard Ellis, Inc. Your Committee received written comments in opposition to this measure from one individual. Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that the public-private partnerships authorized by this measure offer a viable alternative for the Department of Accounting and General Services to address the State's backlog of necessary repair and maintenance work, as well as to undertake new construction projects. Under this measure, the State will retain ownership of the land underlying the projects and have an option to purchase the new or improved facility.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1505, 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, 3 (Dela Cruz, English, Ryan).

**SCRep. 1190      (Joint) Health and Human Services on S.C.R. No. 139**

The purpose and intent of this measure is to request the Department of Health, in collaboration with the Department of Human Services, the John A. Burns School of Medicine, and representatives from health plan providers in the State, to convene a Preterm Birth Task Force to develop best practices recommended by either the American College of Obstetricians and Gynecologists or the Institute for Healthcare Improvement for reducing elective inductions and cesarean deliveries.

Your Committees received testimony in support of this measure from the Department of Health, Puna Community Medical Center, Healthy Mothers Healthy Babies Coalition of Hawaii, Hawaii Medical Association, and March of Dimes Foundation Hawaii Chapter. Your Committees received testimony in opposition to this measure from The American Congress of Obstetricians and Gynecologists. Your Committees received comments on this measure from the University of Hawai'i System.

Your Committees find that despite efforts to reduce preterm births, there remains a need for standardized guidelines and procedures among hospitals in Hawaii that are current with accepted best practices and guidelines to promote better awareness of the risks of elective inductions and preterm cesarean deliveries and to increase training opportunities among hospital personnel relating to elective inductions and preterm cesarean deliveries. The creation of the Preterm Birth Task Force will help the State achieve these goals. Your Committees find that the inclusion of a pediatric physician on the Preterm Birth Task Force will provide additional guidance.

Accordingly, your Committees have amended this measure by increasing the number of individuals requested to serve on the Preterm Birth Task Force by one to include a pediatric physician.

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. 139, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 139, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 3 (Baker, Shimabukuro, Wakai).

**SCRep. 1191      (Joint) Health and Education on S.C.R. No. 6**

The purpose and intent of this measure is to encourage the John A. Burns School of Medicine and the School of Nursing and Dental Hygiene of the University of Hawaii to include breastfeeding in educational curriculum to educate medical professionals to advocate and promote breastfeeding among expectant and new mothers.

Your Committees received testimony in support of this measure from the University of Hawai'i School of Nursing and Dental Hygiene, University of Hawai'i John A. Burns School of Medicine, Hawaii Chapter – American Physical Therapy Association, Healthy Mothers Healthy Babies Coalition of Hawaii, Puna Community Medical Center, and one individual.

Your Committees find that breastfeeding provides numerous benefits for babies and mothers. Your Committees further find that health care professionals play a critical role in providing support and education to expectant and new mothers on the benefits of breastfeeding. This measure encourages the schools that equip and prepare many of the State's future health care professionals to include breastfeeding curriculum as part of their preparation of these future health care professionals.

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 Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 6, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 6, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Baker, Shimabukuro, Taniguchi, Wakai).

**SCRep. 1192 (Joint) Health and Education on S.C.R. No. 66**

The purpose and intent of this measure is to support school gardens by requesting the convening of a task force to determine how to expand school garden programs statewide.

Your Committees received testimony in support of this measure from the College of Tropical Agriculture and Human Resources at the University of Hawai'i at Manoa; Department of Health; Department of Education; College of Agriculture, Forestry and Natural Resource Management at the University of Hawai'i at Hilo; American Cancer Society; Hawaii Association of Independent Schools; Hawai'i Island School Garden Network; Kokua Hawai'i Foundation; Hawaii School Garden Hui; NatureTalks, LLC; Hawaii County Nutrition and Physical Activity Coalition; and five individuals.

Your Committees find that farm to school programs, such as programs that involve planting and tending school gardens, have proven successful in supplying high quality food, as well as providing students with knowledge that enhances their educational experience and cultivates long-term healthy habits.

Your Committees have amended this measure by:

- (1) Removing the specific reference to the Office of Hawaii Child Nutrition Programs; and
- (2) 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 Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 66, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 66, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Baker, Shimabukuro, Taniguchi, Wakai).

**SCRep. 1193 (Joint) Health and Water, Land, and Housing and Agriculture on S.C.R. No. 125**

The purpose and intent of this measure is to request the Department of Health to expeditiously take action to certify its water quality testing laboratory for the testing and classification of land- and ocean-based shellfish growing waters around the State, utilize appropriate staff for those purposes, and implement analyses to certify areas that are suitable for classification as shellfish growing areas.

Your Committees received testimony in support of this measure from the University of Hawai'i System; Department of Health; Analytical Services, Inc.; Hawaii Aquaculture and Aquaponics Association; and Keawanui Fishpond.

Your Committees find that Hawaii is the only coastal state in the United States where shellfish cannot be farmed and sold. Currently, because Hawaii does not have a Statewide Classification Program for Shellfish Growing Areas, shellfish seed that is produced in the State must be sent out of state to grow to maturity before being sold. Allowing Hawaii shellfish farmers to legally raise and sell their shellfish for consumption creates an important economic opportunity for the State.

Your Committees' intent is to facilitate the establishment of a shellfish farming industry in Hawaii but emphasizes that shellfish farms should not limit or negatively impact public access to Hawaii's shorelines.

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 Health and Water, Land, and Housing and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 125, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 125, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 5 (Baker, Fukunaga, Green, Tokuda, Slom).

**SCRep. 1194 Energy and Environment on H.B. No. 424**

The purpose and intent of this measure is to extend the temporary exemption from the State's environmental impact statement law afforded to certain actions involving infrastructure within existing public rights-of-way.

Your Committee received testimony in support of this measure from Gary Hooser, Office of Environmental Quality Control; The Chamber of Commerce of Hawaii; Myoung Oh, Hawai'i Association of REALTORS; David Arakawa, Land Use Research Foundation of Hawaii; and Rouen Liu, Hawaiian Electric Company, Inc.

This measure extends the sunset date of Act 87, Session Laws of Hawaii 2009, from July 1, 2011, to July 1, 2013. Act 87 exempts a primary action from chapter 343, Hawaii Revised Statutes, the environmental impact statements law, when that primary action is subject to only a non-discretionary permit or approval and involves a secondary action that is ancillary and limited to the installation, improvement, renovation, construction, or development of infrastructure within an existing public right-of-way or highway.

Your Committee finds that there are questions about the application of chapter 343, Hawaii Revised Statutes, as it pertains to primary and secondary actions. This measure allows more time to resolve these issues.

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. 424, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (English, Ihara).

**SCRep. 1195 Ways and Means on H.B. No. 1642**

The purpose and intent of this measure is to foster improvement in the State's economy by providing support for research and development activities that lead to new job opportunities.

Specifically, this measure:

- (1) Requires a qualified high technology business that claims the tax credit for research activities to file annual survey information with the Department of Taxation;
- (2) Requires the Department of Taxation to submit an annual report to the Legislature on the information collected by the survey and the effectiveness of the tax credit; and
- (3) Extends the existing tax credit for research activities for an additional five years to taxable years beginning before December 31, 2015.

Your Committee received written comments in support of this measure from The Chamber of Commerce of Hawaii; Yuka Nagashima, Executive Director and Chief Executive Officer, High Technology Development Corporation; Karl Fooks, President, Hawaii Strategic Development Corporation; James P. Karins, President, Pukoa Scientific; Nelson Kanemoto, President and Chief Executive Officer, Referentia Systems Incorporated; Jill Takaazu Harper, Vice President, Business Operations, Referentia Systems Incorporated; and Nancy Downes, Program Manager, Referentia Systems Incorporated.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure promotes research and development in Hawaii and supports local companies in the research and development industry.

The incentives provided by this measure will continue to create job growth in the State and encourage further investment in Hawaii's high technology industries. In addition, the reporting requirements will demonstrate the effectiveness of the tax credit for research 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. 1642, 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, 3 (Dela Cruz, Tokuda, Slom).

**SCRep. 1196 Ways and Means on H.B. No. 1164**

The purpose and intent of this measure is to allow the Department of Land and Natural Resources to consider the exchange of Sand Island parcels to leaseholders, and require the department to report its findings and recommendations to the Legislature.

Your Committee received written comments in opposition to this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; and the Office of Hawaiian Affairs.

Your Committee finds that tenants of the Sand Island Industrial Park have expressed a strong desire to acquire the fee interest in their leasehold lots because they have invested substantial amounts to improve the lots and, as the lease approaches expiration, their ability to finance further improvements is diminishing. The Department of Land and Natural Resources, however, relies on the lease revenue to support the operations of public lands programs including, in particular, the special land and development fund. This measure will allow the department to consider the exchange of parcels to leaseholders by evaluating factors including the present and future value and income generating capacity of a leased parcel and the parcel proposed for exchange.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1164, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 4 (Dela Cruz, English, Ryan, Tokuda).

**SCRep. 1197 Agriculture on H.B. No. 122**

The purpose and intent of this measure is to:

- (1) Extend the repeal date of Act 173, Session Laws of Hawaii 2009 (Act 173), which exempts renewable energy projects from subdivision requirements on state agricultural or conservation lands, from July 1, 2013, to July 1, 2020; and
- (2) Clarify that wind energy projects are included in the exemption.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Land Use Research Foundation of Hawaii; Kamehameha Schools; SunFuels Hawaii, LLC; and Hawaii Solar Energy Association. Your Committee received comments on this measure from Waimalu Valley Ranch.

Your Committee finds that renewable energy projects require acreage for facilities and access to easements in configurations that do not always coincide with existing subdivided boundaries or parcels. Act 173 was enacted to facilitate the financing and development of renewable energy projects by exempting these projects from subdivision requirements on state agricultural or conservation lands. This measure will encourage the continued development of renewable energy facilities in the State by extending the exemption to July 1, 2020.

Your Committee has amended this measure by:

- (1) Adding language to amend section 201N-13, Hawaii Revised Statutes, to change references from July 1, 2013, to July 1, 2020, to conform with the extension of Act 173; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 122, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 122, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 3 (Chun Oakland, Tokuda, Slom).

#### **SCRep. 1198 Commerce and Consumer Protection on H.B. No. 484**

The purpose and intent of this measure is to require hospitals within the State to allow advanced practice registered nurses to practice within the full scope of licensure, including as a primary care provider.

Your Committee received testimony in support of this measure from the Board of Nursing, Hawaii State Center for Nursing, Hawaii Medical Service Association, Kaiser Permanente, Hawaii Long Term Care Association, American Academy of Nurse Practitioners, Hawai'i Association of Professional Nurses, Hawaii Association of Nurse Anesthetists, the University of Hawai'i System, and twenty-two private individuals. Your Committee received comments on this measure from the Healthcare Association of Hawaii.

Your Committee finds that advanced practice registered nurses are educationally prepared to assume responsibility and accountability for health promotion and maintenance as well as the assessment, diagnosis, and management of patients, including through the use of prescription pharmacological and nonpharmacological interventions. Your Committee also finds that advanced practice registered nurses have proven themselves to have clinical experience of sufficient breadth and depth to practice safely within their specialties, including by prescribing drugs appropriate to their practice area. Your Committee further finds that advanced practice registered nurses are important providers of health care, especially in the context of Hawaii's documented shortage of qualified health care providers. Your Committee notes that advanced practice registered nurses currently serve in a variety of roles within the health care system, including some that do not utilize every aspect of the full scope of practice available to an advanced practice registered nurse. Your Committee finds that this measure is not intended to disrupt the current employment of advanced practice registered nurses who choose to serve in those important positions.

Accordingly, your Committee finds that some provisions of the current statute governing prescriptive authority for advanced practice registered nurses are inconsistent with the Legislature's recognition of advanced practice registered nurses' role as primary care providers. Your Committee further finds that advanced practice registered nurses are qualified to be personally accountable for their practice, have safely prescribed drugs appropriate to their specialties for fifteen years, and therefore should be authorized to prescribe independently provided drugs appropriate to their practice area.

Your Committee has amended this measure by:

- (1) Adding a new section that amends the statute governing prescriptive authority for advanced practice registered nurses by:
  - (A) Deleting provisions related to an exclusionary formulary for advanced practice registered nurses with prescriptive authority; and
  - (B) Adding a new provision to authorize advanced practice registered nurses with prescriptive authority to request, receive, and dispense manufacturers' samples of over the counter and non-controlled legend drugs;
- (2) Making it effective upon its approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee finds that this measure, as amended, will increase access to medical services throughout the State by ensuring that providers already practicing within the community are able to practice within the full scope of their statutorily-granted authority.

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. 484, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 484, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Green, Solomon).

**SCRep. 1199 Commerce and Consumer Protection on H.B. No. 1552**

The purpose and intent of this measure is to restrict the use of terms indicating geographic origin of Hawaii-grown coffee on coffee packaging.

Your Committee received testimony in support of this measure from Retail Merchants of Hawaii; Hawaii Coffee Association; Hawaii Coffee Company; Captain Cook Coffee Company; Heavenly Hawaiian Farms; Paradise Beverages, Inc.; Castle and Company; MauiGrown Coffee, Inc.; The Madden Corporation; Coffees of Hawaii, Inc.; Rancilio Group; McDonald's Restaurants of Hawaii; Pacific Bag, Inc.; Excor, Inc.; and six private individuals. Your Committee received testimony in support of the intent of this measure from the Department of Agriculture. Your Committee received testimony in opposition to this measure from Kona Rising Coffee Company, Dysart Farms, Mahina Mele Farm, Pohaku Kona Coffee Farms, Lions Gate Farms, Mokulele Farms, Konacopia Farm, Kona Coffee Farmers Association, Luther Coffee Farm, Kona County Farm Bureau, Teshima Estate Kona Coffee, and nine private individuals.

Your Committee finds that this measure provides stricter guidelines for labeling packages of coffee to ensure that consumers receive accurate information that enables them to make informed purchasing choices.

Your Committee has amended this measure by:

- (1) Prohibiting the use of a term that indicates a geographic origin on the front panel of a package of coffee unless the package contains one hundred percent coffee from the geographic origin or the term is part of a trademark;
- (2) Prohibiting the use of more than one trademark on a package of coffee unless the package contains one hundred percent coffee from the geographic origin specified by the trademark;
- (3) Prohibiting the use of a trademark that begins with the name of a geographic origin on a package of coffee unless one hundred percent of the coffee comes from the geographic origin or the trademark ends with words that indicate a business entity;
- (4) Prohibiting the printing on a package of coffee of a statement indicating the geographic origin of the coffee in a font smaller than that used for a trademark that includes the name of a geographic origin or in a location other than the front label panel of the package;
- (5) Changing its effective date to upon approval; provided that the labeling requirements effectuated by section 2 of the measure shall be effective on July 1, 2012; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee finds that the amendments made to this measure clarify the labeling requirements for coffee to ensure that locally-grown coffee is not disadvantaged in the marketplace. Your Committee further finds that the amendments regarding the use of trademarks made by this measure address the concerns raised by independent coffee growers that unscrupulous packagers may use deliberately misleading packaging to circumvent truthful labeling requirements. Finally, your Committee finds that this measure, as amended, will promote the growth of Hawaii's coffee industry by enabling consumers to easily identify and confidently choose Hawaii-grown coffee.

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. 1552, 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. 1552, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1200 (Majority) Ways and Means on H.B. No. 160**

The purpose and intent of this measure is to appropriate funds to provide additional funding for the Kupuna Care program to provide Hawaii's elderly population access to affordable and quality home- and community-based services.

The measure also appropriates moneys from the emergency and budget reserve fund to maintain funding levels of various programs that are essential for public health, safety, welfare, and education.

Your Committee received written comments in support of this measure from Liz Ann Salvador, Chair, and Waynette Cabral, Executive Administrator, State Council on Developmental Disabilities; Barbara Kim Stanton, State Director, AARP Hawaii; Eldon L. Wegner, Ph.D., Policy Advisory Board for Elder Affairs; Howard S. Garval, President and Chief Executive Officer, Child & Family Service; M. Nalani Fujimori Kaina, Executive Director, Legal Aid Society of Hawaii; Louis Erteschik, Staff Attorney, Hawaii Disability Rights Center; Liane K. Akana, Executive Director, Read To Me International; Bruce McCullough, Chair, Legislative Committee, Hawaii Alliance for Retired Americans; and eight individuals.

Your Committee finds that expenditures from the emergency and budget reserve fund are needed to meet the conditions of emergency, economic downturn, and unforeseen reduction in revenues that the State currently faces.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation to the Read To Me International Foundation is intended to strengthen families and promote childhood literacy;
- (2) Making an unspecified appropriation out of the emergency and budget reserve fund for the HOPE probation program;

- (3) Requiring that any moneys or appropriations from the emergency and budget reserve fund that are used to meet any general fund shortfall during the 2011-2012 fiscal year be reimbursed from the general fund to the credit of the emergency and budget reserve fund no later than July 1, 2012;
- (4) Changing dollar amounts and appropriations to unspecified sums;
- (5) Adding an appropriation for the housing placement program within the Department of Human Services;
- (6) Changing the effective date to July 1, 2117, to facilitate further discussion on the measure; and
- (7) 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. 160, 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. 160, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1201 (Majority Ways and Means on H.B. No. 169)**

The purpose and intent of this measure is to assist the unemployed by:

- (1) Establishing an optional total unemployment rate trigger for extended unemployment benefits if one hundred per cent federal sharing is available under federal law, subject to certain conditions; and
- (2) Appropriate funds for an automated extended benefit claims system.

Your Committee received comments in support of this measure from Dwight Takamine, Director, Department of Labor and Industrial Relations.

Your Committee finds that this measure provides an alternative unemployment rate trigger under which the State can access federal funds to allow unemployed workers to receive extended benefits.

Your Committee has amended this measure by:

- (1) Clarifying that extended benefits are to be paid only when one hundred per cent federal sharing is allowed under federal law;
- (2) Allowing individuals to qualify for extended benefits even after their one-year benefit period has elapsed; 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. 169, 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. 169, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1202 Ways and Means on H.B. No. 382**

The purpose and intent of this measure is to facilitate the Auditor's execution of statutory and constitutional duties with regard to audits of the Department of Taxation.

Specifically, this measure:

- (1) Expressly authorizes the Auditor to inspect all accounts, books, records, files, papers, and documents and all financial affairs of the Department of Taxation;
- (2) Requires the Auditor to implement internal policies to protect the confidentiality of private personal information contained in tax returns; and
- (3) Expands the application of existing penalties for unauthorized disclosures of tax information by a state officer or employee to expressly include the Auditor and the Auditor's agent.

Your Committee received comments in support of this measure from Marion M. Higa, State Auditor, Office of the Auditor, State of Hawaii; and Frederick D. Pablo, Director, Department of Taxation.

Your Committee received comments on this measure from Tax Foundation of Hawaii.

Your Committee finds that while this measure grants express authority to the Auditor to effectively evaluate the activities and performance of the Department of Taxation, careful consideration should be given to the confidentiality of private taxpayer information that may be subject to these examinations.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the Auditor shall have access to tax returns and the accounts, books, records, files, papers, documents, and financial affairs of the Department of Taxation only to the extent necessary in the administration of the Auditor's duties and within the scope of an audit;
- (2) Making the measure effective upon its approval; and



- (3) Making a technical, nonsubstantive amendment to reflect existing statutory 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 H.B. No. 382, 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. 382, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1203 Ways and Means on H.B. No. 1138**

The purpose and intent of this measure is to establish a lien in favor of a certified shorthand reporter on the assets of an attorney's firm for unpaid services.

In addition, this measure:

- (1) Broadens attorney's liens to include arbitration proceedings; and
- (2) Eliminates the one year deadline for filing the lien.

Your Committee received comments in support of this measure from Bill Plum, Vice Chair, Collection Law Section, Hawaii State Bar Association; Sharon Mujtabaa, President, Hawaii Court Reporters and Captioners Association; and nine individuals.

Your Committee finds that with recognition of a certified shorthand reporter's lien upon an attorney's assets is consistent with the customs and practices of the majority of the states, in which attorneys, rather than their clients, handle and maintain control over all aspects of litigation, including hiring reporter services, and are therefore responsible for reimbursing the reporter.

Your Committee further finds that the amendments regarding the attorney's lien are necessary to eliminate taxation problems associated with the one year deadline for filing the lien and to provide greater consistency and clarity in the statutory terms.

Your Committee has amended this measure by changing the effective date to July 1, 2117, to facilitate continued discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1138, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1138, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1204 Ways and Means on H.B. No. 1312**

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to lease for development certain fast lands or submerged lands of the Ala Wai Small Boat Harbor to maximize the revenue potential of this facility.

Your Committee received comments in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee received comments in opposition to this measure from one hundred ninety-two individuals.

Your Committee finds that, currently, some parts of the Ala Wai Boat Harbor facility are underused. Extending the leasable areas of the Ala Wai Boat Harbor to submerged lands and enumerating permissible uses under such a lease will establish a new funding source for the Department of Land and Natural Resources. These revenues would support the long-range repair and maintenance goals for Ala Wai Boat Harbor facilities and provide a stepping-stone to departmental self-sufficiency.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon approval; and
- (2) Making a technical, nonsubstantive change for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1312, 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. 1312, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 4 (Dela Cruz, English, Ryan, Tokuda).

**SCRep. 1205 Ways and Means on H.B. No. 678**

The purpose and intent of this measure is to strengthen the safeguards against security breaches of personal information.

Specifically, this measure:

- (1) Requires government agencies that maintain personal information systems to include mandatory training programs for agency personnel;
- (2) Requires businesses that maintain personal information to implement an information security program;
- (3) Amends the definition of "security breach" in chapter 487N, Hawaii Revised Statutes, to include any inadvertent, unauthorized disclosure of unencrypted or unredacted records or data containing personal information;

- (4) Requires a notice of security breach pursuant to chapter 487N, Hawaii Revised Statutes, to include toll-free contact telephone numbers and addresses for the major credit reporting agencies;
- (5) Requires the information privacy and security council to be responsible for coordinating the implementation of security breach guidelines by government agencies;
- (6) Includes victims of a security breach among those residents entitled to free security freeze services; and
- (7) Appropriates unspecified amounts for the information privacy and security council for positions and security tools.

Your Committee received comments in opposition to this measure from Gary M. Slovin and Mihoko E. Ito on behalf of the Consumer Data Industry Association; Carol Pregill, President, Retail Merchants of Hawaii; and Oren T. Chikamoto, on behalf of the American Council of Life Insurers.

Your Committee finds that it is in the best interests of the residents of the State to prevent security breaches of personal information through enhanced cyber security training and technical solutions. Your Committee further finds that when security breaches occur, residents of the State should be provided with adequate information and resources to protect their personal information.

Your Committee has amended this measure by:

- (1) Clarifying that any business subject to the federal Interagency Guidelines Establishing Information Security Standards or 12 C.F.R. Part 748, Appendix A, is not subject to the state statutory requirement to implement a comprehensive written information security program; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 678, 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. 678, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Sloin). Noes, none. Excused, 1 (Ryan).

**SCRep. 1206 Ways and Means on H.B. No. 1038**

The purpose and intent of this measure is to make various revisions to the Employees' Retirement System in order to reduce the system's unfunded liability.

Specifically, this measure:

- (1) Increases the member's contribution rates for employees who become members of classes A, B, or H after June 30, 2012;
- (2) Increases the period of years for calculating the average final compensation for employees who become members of classes A, B, C, or H after June 30, 2012;
- (3) Increases the vesting period for employees who become members of class H after June 30, 2012;
- (4) Increases the employer contribution rates for public safety related employees and other employees in classes A and B beginning in fiscal year 2012-2013;
- (5) Reduces the percentage of regular interest credited to the retirement accounts of employees who becomes members of classes A, B, or H after June 30, 2011;
- (6) Increases the age and service requirements for employees who become members of classes A, B, or H after June 30, 2012; and
- (7) Authorizes the Board of Trustees of the Employees' Retirement System to establish the investment yield rate for the entire system after June 30, 2011.

Your Committee received comments in support of this measure from Kalbert K. Young, Director, Department of Budget and Finance; Michael Hansen, Department of Budget and Fiscal Services, City and County of Honolulu; and Noel Ono, Department of Human Resources, City and County of Honolulu. Your Committee received comments on this measure from one individual.

Your Committee finds that this measure combines elements from several measures introduced in the House of Representatives to comprehensively address the unfunded liability of the Employees' Retirement System, by making reasonable prospective changes to the employees' benefits and the employee's contribution rates. Your Committee notes that this measure incorporates elements from H.B. No. 1037, H.B. No. 817, H.B. No. 1142, and H.B. No. 1143, as well as this measure as introduced.

Your Committee further finds that although this measure makes a distinction in the benefits and obligations of members based upon their dates of hire, such actions are necessary to ensure the long-term viability of the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Making a technical amendment for consistency with other provisions in the measure; and
- (2) 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 H.B. No. 1038, 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. 1038, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1207      Judiciary and Labor on H.B. No. 1067**

The purpose and intent of this measure is to repeal the authority of the Executive Director of the Office of Youth Services to transfer youth committed to the Hawaii Youth Correctional Facility to adult correctional facilities for disciplinary or other reasons.

Your Committee finds that this measure supports the State's efforts to comply with the federal Juvenile Justice and Delinquency Prevention Act which, among other things, prohibits the placement of youth in adult correctional facilities except under limited circumstances and requires "sight and sound" separation between juvenile and adult offenders.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1067, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1208      Judiciary and Labor on H.B. No. 1130**

The purpose and intent of this measure is to repeal the sunset date of Act 158, Session Laws of Hawaii 2009, thereby making permanent the requirement that cooperative housing developments, condominium associations, and planned community associations establish an access policy for civil process servers.

Your Committee finds that in the two years since the enactment of Act 158, it has successfully assisted in the service of process on residents of community associations thereby reducing legal costs and improving notice as servers no longer have to wait for hours outside of limited-access properties or notice by publication when the residents cannot be reached. Your Committee further finds that Act 158 affords community associations autonomy to make their own rules regarding access for process servers and as a result has yielded no complaints from the associations or their residents during the two years that the Act has been in effect. This measure will make permanent a law that has been successful in facilitating and streamlining the judicial process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1130, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1209      (Majority) Judiciary and Labor on H.B. No. 1434**

The purpose and intent of this measure is to ensure that contractors shall be issued a separate Notice of Violation for each government construction project where the Department of Labor and Industrial Relations finds that a contractor has failed to comply with chapter 104, Hawaii Revised Statutes, the prevailing wage law.

Your Committee finds that one deterrent to violation of the prevailing wage law is to bar contractors who accumulate three Notices of Violation of the law within two years from bidding on government construction projects for three years. This deterrent of debarment from working on government projects is weakened by the fact that prevailing wage labor investigations can take over two years and that as the law reads now a violation refers to an investigation involving one or more projects. Uncooperative contractors are able to stall and game the system due to the time limitations and the potential for the bundling of multiple projects into one Notice of Violation, thereby remaining eligible for government contracts despite multiple offenses over long periods of time on multiple projects.

Your Committee recognizes the concerns of the contractor community that a contractor who unwittingly violates the law simultaneously on three projects due to the same mistake could be subject to debarment. However, your Committee finds that considering the harm incurred by the workers and their families due to such violations, ensuring that such mistakes are not made should be a priority for contractors. This measure will improve contractors' compliance with the law by discouraging intentional violations and deterring potential unwitting violators to eliminate mistakes that impact the lives of others.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1434, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 1210      Judiciary and Labor on H.B. No. 924**

The purpose and intent of this measure is to clarify that the terms of a liability insurance policy issued to a construction professional shall be interpreted according to the reasonable expectations of the parties at the time that the insurance policy was issued.

Your Committee finds that the construction industry is vital to Hawaii's economy and is a major economic driver in the public and private sectors. Your Committee further finds that, because of the potential for great economic and personal harm inherent in the construction process, reliable insurance against loss is vital to the industry. Your Committee holds the decisions of Hawaii's appellate courts and their function in interpreting the law in the highest regard and recognizes the deference due to the courts by the Legislative Branch. However, your Committee finds that the decision rendered by Hawaii's Intermediate Court of Appeals in *Group Builders, Inc. v. Admiral Ins. Co.*, 231 P.3d 67 (Haw. Ct. App. 2010), creates a public policy emergency by invalidating certain insurance coverage for construction projects that are underway or have already been completed.

Your Committee notes that settled constitutional law permits a legislative body to exercise its inherent police powers to regulate contract matters where a legitimate public purpose is at stake and where a less drastic alternative is not reasonably available.

In the present case, at least two equally important public purposes are at stake. First, since the potential for loss to life and property due to construction activity is enormous and ever-present despite the parties' best efforts to avoid such loss, reliable insurance against damages is essential to allow recovery for injured persons. Secondly, the State has a vested interest in ensuring that contracts entered into and paid for under a mutual understanding of contract terms are honored, especially when the contract involves an industry regulated by the State. In the present case, your Committee finds that construction professionals and insurers contracted for insurance coverage under a shared understanding that bodily injury and property damages due to construction defects would be covered occurrences. The court's decision in *Group Builders* undermines the agreement of the parties and intrudes on the prerogative of the Legislature to regulate private industry in the State for the purpose of preserving the health, safety, and welfare of its citizens.

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

Your Committee finds that this measure, as amended, ensures that the intent of parties at the time a liability insurance construction contract is created is preserved. This measure as amended, also ensures that insurance coverage for bodily injury and property damage caused by construction defects is available for construction projects in progress and already completed within the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 924, 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. 924, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1211 Judiciary and Labor on H.B. No. 1640**

The purpose and intent of this measure is to mandate the Department of the Attorney General to work with the counties to allow county employees to issue certificates of identification at the same locations where driver's licenses are issued.

Your Committee finds that certificates of identification are available from only a few locations throughout the State. This measure would significantly improve access to certificates of identification for Hawaii's residents.

Your Committee has amended this measure by:

- (1) Making this measure effective upon approval rather than effective on January 7, 2059; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1640, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1640, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1212 Judiciary and Labor on H.B. No. 56**

The purpose and intent of this measure is to:

- (1) Permit the Family Court to award grandparents reasonable visitation rights; provided that denial of visitation would cause significant harm to the child;
- (2) Establish a rebuttable presumption that a parent's decision regarding visitation is in the best interests of the child; and
- (3) Identify factors that the Family Court shall consider when awarding grandparent visitation rights.

Your Committee finds that this measure addresses and clarifies current statutes regarding grandparent visitation rights.

Your Committee on Human Services requested that your Committee evaluate whether the factors to be considered by the Family Court in awarding visitation appropriately address domestic violence concerns. After careful consideration, your Committee believes that the consideration of criteria from section 571-46(a)(9) and (10), Hawaii Revised Statutes, and of whether grandparents have previously violated or assisted a parent in violating a temporary restraining order or protective order provides an appropriate safeguard in situations where domestic violence issues have been raised.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2051, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 56, 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. 56, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1213      Judiciary and Labor on H.B. No. 889**

The purpose and intent of this measure is to establish health care-associated infection reporting requirements to ensure that Hawaii is consistent with the efforts of federal agencies to control health care-associated infections and to ensure that the Department of Health has access to health care-associated infection data reported by Hawaii's health care providers to the federal government.

Your Committee finds that this measure will ensure that Hawaii's health care facilities will be in compliance with reporting requirements established by the Centers for Medicare and Medicaid and the proposed reporting system will ensure that the health care-associated infections data for Hawaii is reported using the Centers for Disease Control and Prevention's approved definitions for health care-associated infections and in accordance with national standards and data from other states.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2051, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 889, 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. 889, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1214      Judiciary and Labor on H.B. No. 909**

The purpose and intent of this measure is to authorize the Family Court to:

- (1) Issue financial restraining orders during proceedings for annulment, divorce, or separation; and
- (2) Consider any unauthorized dissipation of marital assets when ordering payment of attorney's fees pursuant to a child custody, support, or maintenance order.

Your Committee finds that this measure protects parties to annulment, divorce, or separation proceedings by requiring the Family Court to issue financial restraining orders under certain conditions. In addition, this measure may deter the improper dissipation of marital assets by allowing the Family Court to consider a party's misuse of assets when ordering the payment of attorney's fees.

Your Committee has amended this measure by changing the effective date from July 1, 2050, to July 1, 2051, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 909, 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. 909, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1215      Judiciary and Labor on H.B. No. 597**

The purpose of this measure is to expand the definition of "quality assurance committee" to include interdisciplinary quality assurance committees composed of members from various health care organizations. The intent of this measure is to establish that the proceedings and records of interdisciplinary quality assurance committees composed of members from various health care organizations have similar protections as those committees formed by hospitals, health maintenance organizations, and statewide trauma care systems.

Your Committee received testimony in support of this measure from The Queen's Medical Center and Healthcare Association of Hawaii.

Your Committee finds that robust discussion leads to changes in health care policies, procedures, or practices and, in order to encourage such robust discussions, there is a need to protect peer review and quality assurance discussions on health care from their potential use in medical malpractice lawsuits.

Your Committee heard concerns regarding the impact that this measure may have on discoverable information. Your Committee asserts that this measure does not seek to change discovery rules; rather, the goal of this measure is to encourage collaborative discussions regarding health care policies, procedures, and practices. Accordingly, the expansion of the definition of "quality assurance committee" to include representatives of different groups of organizations does not alter the limited scope of confidentiality accorded in section 624-25.5 (c) and (d), Hawaii Revised Statutes. Quality assurance committees may not prevent discovery of otherwise discoverable information and material simply by using or considering the information or material in its proceedings.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 597, 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, none.

**SCRep. 1216      Judiciary and Labor on H.B. No. 1071**

The purpose and intent of this measure is to require the Department of Health to:

- (1) Establish and monitor a fitness restoration program for a defendant who is released on conditions after a finding of unfitness to proceed; and
- (2) Inform the Prosecuting Attorney of the county that charged the defendant of the fitness restoration program and report on the defendant's compliance with the program.

Your Committee finds that current law provides no clear, formal description of a monitoring or reporting process to the court for those persons released on conditions into the community. This creates procedural ambiguity when an individual who is released on conditions does not comply with the terms and conditions of his or her release. As a consequence, when courts have been asked to consider requests to release into the community on conditions persons who are found unfit to proceed, courts have raised concerns about community monitoring and reporting procedures.

This measure provides a formal structure and mechanism to address community safety and monitoring concerns for individuals who are found unfit to proceed and released on conditions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1217 Judiciary and Labor on H.B. No. 1004**

The purpose and intent of this measure is to clarify the existing antitrust law to reconfirm the right of government entities to bring actions for damages notwithstanding the government entities' status as indirect purchasers.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that this measure will provide the State an opportunity to seek redress where the State has been harmed by antitrust violations. Your Committee further finds that the current law has prevented the State from pursuing suit for identified antitrust violations involving matters such as systemic price fixing, which would have properly resulted in reimbursement to the State for overcharges and other damages. Finally, your Committee finds that this measure does not create any new violations or enable undue expansion of damage awards. Rather, this measure allows the State to pursue proper remedies for actual economic harm suffered by the State because of the unlawful conduct of outside entities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1004, 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, none.

**SCRep. 1218 Judiciary and Labor on H.B. No. 49**

The purpose and intent of this measure is to recognize the United States Department of Defense Record of Emergency Data, DD Form 93, as a method of designating a person to direct disposition of an Armed Forces Service member's remains.

Your Committee finds that members of the United States Armed Forces are required by federal law to designate a person to arrange for the disposition of their remains. Your Committee further finds that the DD Form 93 must be updated annually and before any deployment. Your Committee also finds that this measure will ensure that the DD Form 93 is deemed a legally sufficient document for designating an agent to arrange for the final disposition of a Service member's remains in the event of that Service member's death while serving in the Armed Forces.

Your Committee has amended this measure by inserting an effective date of July 1, 2011.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 49, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 49, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1219 Judiciary and Labor on H.B. No. 377**

The purpose and intent of this measure is to, among other things:

- (1) Provide state lease preferences for the reconstruction, restoration, repair, or use of Hawaiian fishponds;
- (2) Exempt the Hawaii Marine Laboratory Refuge from obtaining state and county permits, including permits under chapter 205A, Hawaii Revised Statutes, for the repair and maintenance of its facilities on Coconut Island;
- (3) Require the Department of Land and Natural Resources to establish a public land trust information system;
- (4) Require all state agencies to report to the Department of Land and Natural Resources by August 1, 2011, each parcel of land to which the agency holds title and the disposition of each parcel to which the agency holds title or is acquiring title; and
- (5) Appropriate funds to create and maintain a public land trust inventory database.

Your Committee received testimony in support of this measure from the Hawai'i Institute of Marine Biology at the University of Hawai'i at Manoa, Kuli'ou'ou/Kalani Iki Neighborhood Board No. 2, Maunaloa Fishpond Heritage Center, Aha Kiole Advisory

Committee, and a Professor of Geophysics from the University of Hawai'i at Manoa. Your Committee received comments on this measure from the Department of the Attorney General, Department of Land and Natural Resources, and Office of Hawaiian Affairs.

Your Committee finds that there are concerns that certain language in part III of this measure may be erroneously interpreted to imply that the State is not currently fulfilling its responsibilities under section 5(f) of the Admission Act and article XII, section 4, of the Hawaii State Constitution. There is also concern that this language may be interpreted to erroneously imply that the Office of Hawaiian Affairs has not received what the Legislature has determined is its portion of the receipts from ceded lands under article XII, section 6, of the Hawaii State Constitution.

Accordingly, your Committee has amended this measure by:

- (1) Removing part III of this measure which, among other things, would have required the Department of Land and Natural Resources to establish a public land trust information system; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 377, 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. 377, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1220 Judiciary and Labor on H.B. No. 616**

The purpose and intent of this measure is to:

- (1) Clarify that awards of visitation rights to parents may include visitation by electronic communication;
- (2) Establish factors that the court shall consider in awarding visitation by electronic communication; and
- (3) Authorize courts to set guidelines for visitation by electronic communication, including supervision as ordered by the court.

Your Committee understands that in some instances, visitation by electronic communication is currently included as part of an award of visitation rights, but it is not a standard practice and the guidelines for such visitation may differ. Your Committee is not fully convinced that establishing visitation by electronic communication in statute is necessary at this time, but your Committee remains willing to continue deliberations on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2050, to July 1, 2051, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 616, 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. 616, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 1221 Judiciary and Labor on H.B. No. 1241**

The purpose and intent of this measure is to extend from ten to twenty days the number of days during which the legal and registered owner of an abandoned vehicle may repossess the vehicle before it may be subject to disposal.

Your Committee finds that this measure establishes a more practical time frame for the owner of an abandoned vehicle to recover possession of that vehicle after it has been towed away.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1241, 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. 1241, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 1222 Judiciary and Labor on H.B. No. 1107**

The purpose and intent of this measure is to authorize members of the Army and Air National Guard who are qualified by training and authorized by their commanders to use electric guns, subject to state law, when assisting civil authorities in disaster relief, civil defense, or law enforcement functions.

Your Committee finds that current state law permits only certain state and county law enforcement officers or vendors providing electric guns to those entities to possess or use electric guns, commonly known as tasers, within this State. Your Committee further finds that members of the Army or Air National Guard may be called upon to serve alongside and perform identical duties to state and local law enforcement officers when state and local capacity is inadequate to the task at hand. Your Committee finds that in these instances, Army and Air National Guard members should be authorized to perform their functions in the same manner as authorized

for other law enforcement officers. Your Committee notes that electric guns, when used judiciously, may allow law enforcement personnel to avoid lethal force in cases where it may otherwise be required. Your Committee notes that this measure requires training and specific command authorization for each individual member authorized by this measure to possess and use an electric gun.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2011; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1107, 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. 1107, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1223      Judiciary and Labor on H.B. No. 663**

The purpose and intent of this measure is to require the clear and conspicuous disclosure of cancellation procedures for all consumer contracts and offers that contain automatic renewal provisions, with additional disclosure requirements for contracts with a term of twelve months or more.

This measure requires the clear and conspicuous disclosure of automatic renewal clauses and procedures by which consumers can cancel automatic renewals of consumer contracts. Your Committee finds that contracts containing automatic renewal clauses are designed to continuously renew unless a party proactive and takes an action to cancel the contract. The burden is generally placed on the consumer, who may not always notice the termination provisions. Because of this, consumers may contract for a period longer than anticipated or unwittingly find themselves contractually bound to something they do not want. According to the Office of Consumer Protection in testimony on this measure before the Committee on Commerce and Consumer Protection, at least eleven states have enacted legislation requiring clear disclosure at the inception of the contract and immediately prior to the renewal.

The intent of your Committee is to ensure that consumers are fully apprised of this important contractual obligation. This measure will satisfy those requirements by helping consumers at two critical junctures - at the inception of the contract and at the time of renewal of the contract.

Your Committee has amended this measure by:

- (1) Exempting any regulated insurer from the disclosure requirements under this measure to the extent that the insurer is engaged in activities regulated pursuant to the Insurance Code; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 663, 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. 663, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1224      Judiciary and Labor on H.B. No. 688**

The purpose and intent of this measure is to protect students in Hawaii's public schools by:

- (1) Establishing the offense of cyberbullying and specifying that first and second violations shall be misdemeanors and subsequent offenses shall be felonies;
- (2) Codifying definitions of "bullying", "cyberbullying", and "harassment" in chapter 302A, Hawaii Revised Statutes; and
- (3) Directing the Board of Education to monitor the Department of Education's compliance with rules and statutes relating to bullying, cyberbullying, and harassment and to establish requirements for reporting compliance.

Your Committee received testimony in support of this measure from the Board of Education; Department of the Prosecuting Attorney of the City and County of Honolulu; Pride at Work Hawai'i; The Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawai'i; Honolulu Pride; IMUAlliance; Equality Hawaii; Japanese American Citizens League Honolulu Chapter; and fourteen individuals. Your Committee received comments on this measure from the Department of Education, Department of the Attorney General, and American Civil Liberties Union of Hawai'i.

Your Committee finds that the Hawaii State Constitution prohibits discrimination in education based on race, religion, sex, and ancestry. Your Committee further finds that while the Department of Education has long had administrative rules in place prohibiting bullying, cyberbullying, and harassment, enforcement of the existing rules has been insufficient. Your Committee finds that by codifying definitions of prohibited conduct in the Hawaii Revised Statutes and requiring the Board of Education to monitor the Department of Education's compliance with its rules, this measure will promote consistent and appropriate enforcement of these rules and policies in public schools.

Your Committee also finds that new and emerging communications technologies may provide the means to increase harassment or bullying and to amplify their effects, particularly among young people who may be more adept at using technology than their parents and teachers but have not developed the capacity to fully understand the consequences of their actions. However, your Committee further finds that the offense of harassment by cyberbullying created by this measure merely duplicates the offense of harassment by stalking, which includes the prohibition of nonconsensual electronic contact. Further, your Committee finds that creating a new



criminal offense of cyberbullying may actually be counterproductive as it shifts responsibility for enforcement of the policy away from the Department of Education and onto law enforcement agencies. Therefore, your Committee finds that the goal of eliminating bullying and harassment within the public school system is better served by promoting enforcement of anti-bullying, anti-cyberbullying, and anti-harassment policies by principals, teachers, and others within the Department of Education.

Your Committee has amended this measure accordingly by:

- (1) Deleting provisions creating the offense of harassment by cyberbullying; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 688, 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. 688, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1225      Judiciary and Labor on H.B. No. 1005**

The purpose and intent of this measure is to amend various sections of chapter 576D, Hawaii Revised Statutes, to bring the Child Support Enforcement Agency into compliance with federal law.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that recent amendments made to federal regulations require that all states provide Title IV-D services to tribal IV-D agencies and foreign countries as defined under federal regulations. Failure to comply with this federal requirement would jeopardize federal funding of the Child Support Enforcement Agency and federal funding for Temporary Assistance for Needy Families programs. Your Committee finds that this measure is necessary to maintain eligibility for federal funding for those services and programs.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1005, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1005, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1226      Judiciary and Labor on H.B. No. 761**

The purpose and intent of this measure is to amend references in the Hawaii Revised Statutes by substituting "intellectual disability", or like term, wherever the term "mental retardation", or like term, appears.

Your Committee finds that Public Law 111-256 changes references from "mental retardation" to "intellectual disabilities" in federal health, education, and labor laws. Your Committee further finds that this measure will bring language within the Hawaii Revised Statutes in line with language recognized by the federal government.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2011; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 761, 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. 761, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1227      Judiciary and Labor on H.B. No. 1093**

The purpose and intent of this measure is to clarify the commercial driver licensing law with respect to the alcohol concentration level of an individual driving a commercial vehicle.

This measure amends the definition of "driving a commercial motor vehicle while under the influence of an intoxicant" to include driving a commercial motor vehicle with an alcohol concentration of 0.04 or more grams of alcohol per two hundred ten liters of breath or 0.04 or more grams of alcohol per one hundred milliliters or cubic centimeters of blood, and makes conforming amendments to appropriate statutory provisions.

Your Committee finds that this measure conforms Hawaii's law to federal regulations relating to commercial driver licensing.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1093, 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. 1093, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1228 Ways and Means on H.B. No. 1307**

The purpose and intent of this measure is to establish the ohana residential housing income tax credit.

The measure establishes the tax credit as a refundable income tax credit that would be equal to the lesser of two per cent of the purchase price of the qualified principal residence located in the State, or \$6,000. The tax credit would only be available to qualified taxpayers who purchase a qualified principal residence on or after April 1, 2011, and before January 1, 2013.

Your Committee received written comments in support of this measure from Myoung Oh, Government Affairs Director, Hawaii Association of REALTORS; Dave Arakawa, Executive Director, Land Use Research Foundation of Hawaii; and Debra M.A. Luning, Director of Governmental Affairs and Community Relations, Gentry Homes, Ltd.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure will benefit the local construction industry by providing an incentive for the purchase of newly constructed homes. Your Committee also finds that the tax incentive proposed by this measure will help to create jobs and stimulate the State's economy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1307, 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, 2 (Kim, Slom).

**SCRep. 1229 Ways and Means on H.B. No. 1183**

The purpose and intent of this measure is to amend Hawaii's tax laws that will allow the State to participate in the national Streamlined Sales and Use Tax Agreement.

Furthermore, this measure creates a committee within the Department of Taxation to oversee the Department of Taxation's implementation and administration of, and compliance with, the Streamlined Sales and Use Tax Agreement.

Your Committee received comments in support of this measure from Craig Hirai, Member, Subcommittee on Taxation and Finance, Hawaii Association of REALTORS; Carol Pregill, President, Retail Merchants of Hawaii; and Tammy Cota, Executive Director, Internet Alliance.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure will make it possible for the State to collect interstate sales taxes without placing burdens on interstate commerce, thereby "leveling the playing field" between local and out-of-State retailers. Your Committee also finds that the State's participation in the Streamlined Sales and Use Tax Agreement has the potential to achieve better tax definitions and uniformity between participating states, as well as improved tax compliance by interstate 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 H.B. No. 1183, 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, 3 (Dela Cruz, Tokuda, Slom).

**SCRep. 1230 Ways and Means on H.B. No. 983**

The purpose and intent of this measure is to promote the development of high technology ventures in the State by amending the Hawaii Strategic Development Corporation provisions related to tax credits.

More specifically, this measure:

- (1) Amends the definitions of "tax credits" and "taxpayer" in section 211G-1, Hawaii Revised Statutes, to include insurance premium taxes among the taxes against which the credit may be claimed, and makes related amendments in section 211G-12, Hawaii Revised Statutes;
- (2) Changes the total amount and aggregate total per fiscal year of tax credits that may be issued to, and transferred by, the Hawaii Strategic Development Corporation to unspecified amounts; and
- (3) Changes the date after which the tax credits transferred by the Hawaii Strategic Development Corporation may first be exercised from July 1, 2005, to July 1, 2013, and changes the last date on which the tax credits may be exercised from July 1, 2030, to an unspecified date.

Your Committee received written comments in support of this measure from Yuka Nagashima, Executive Director and Chief Executive Officer, High Technology Development Corporation; The Chamber of Commerce of Hawaii; and James P. Karins, President, Pukoa Scientific.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the increase and expansion of tax credits that may be issued to and transferred by the Hawaii Strategic Development Corporation will provide additional financing options that will attract outside investment to Hawaii. This capital formation strategy will help to diversify the State's economy and promote the development of high technology ventures.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983, 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, 3 (Dela Cruz, English, Slom).

**SCRep. 1231 Ways and Means on H.B. No. 301**

The purpose and intent of this measure is to require all fees collected for electronic document certification, electronic copies of documents, and providing bulk access to electronic court records and compilations of data to be deposited into the Judiciary Computer System Special Fund.

Your Committee received comments in support of this measure from David Maeshiro, Chief Information Officer, Information Technology and Communications Division, the Judiciary.

Your Committee finds that the Judiciary Computer System Special Fund was established to provide a source of revenue to upgrade the Judiciary's computer system and increase computer-based digital and electronic document filing related to traffic, civil, criminal, and appellate case processing and management.

This measure will provide an additional source of funding for the special fund that will help improve the efficiency, productivity, and accessibility of the judicial 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. 301, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Slom).

**SCRep. 1232 Ways and Means on H.B. No. 838**

The purpose and intent of this measure is to make an emergency appropriation to support reapportionment by authorizing and funding five full-time temporary positions in the Office of Elections.

Your Committee finds that the State Constitution requires that reapportionment be conducted every ten years and that the next reapportionment will take place during part of fiscal year 2010-2011. Your Committee further finds that additional emergency funding and personnel are necessary to allow the Reapportionment Commission to complete the scope of its work. However, your Committee believes that the appropriation may be reduced by \$68,000, of which \$60,000 was budgeted for overtime costs and \$8,000 was for the cost of the "plotter," which the Committee finds unnecessary.

Accordingly, your Committee has amended this measure by:

- (1) Reducing the appropriation amount by \$68,000 to \$664,430;
- (2) Changing the effective date to July 1, 2117, to facilitate further discussion on the measure; and
- (3) Making a technical, nonsubstantive amendment for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 838, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 838, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

**SCRep. 1233 (Majority) Ways and Means on H.B. No. 277**

The purpose and intent of this measure is to foster continued good relations between the State and the United States military in Hawaii.

Specifically, this measure:

- (1) Establishes a military affairs liaison trust fund as a separate fund of a Hawaii nonprofit corporation, to be selected by the Governor, to support the nonprofit corporation in its duties as the state liaison in matters relating to the military;
- (2) Establishes the military affairs liaison trust fund advisory board to make final recommendations to the nonprofit corporation for the expenditure of trust fund moneys for various activities;
- (3) Establishes the military affairs liaison trust fund advisory committee to foster beneficial relations between the military and the State and advise the state Department of Defense on matters involving the presence of the military in the State and the impact of defense spending on Hawaii's economy;
- (4) Designates the purposes for which grants from the trust fund may be used; and
- (5) Makes an unspecified appropriation to support the nonprofit corporation in its duties as state liaison.

Your Committee received comments in support of this measure from Charles Ota, Vice President for Military Affairs, The Chamber of Commerce of Hawaii.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance.

Your Committee finds that the United States military and the State continue to have an important, mutually advantageous relationship due to the safety and economic benefits provided by the military and the strategic location of the State. This measure will continue to strengthen this relationship by providing a liaison between the military and State for a variety of dealings, including being an advocate for the military and small businesses that do business with the military, supporting the military in sensible training while ensuring compliance with state and federal environmental laws, and improving the quality of life for all residents of the State.

Your Committee has amended this measure by:

- (1) Deleting the phrase “trust fund” from the title of the chapter to broaden its applicability;
- (2) Changing the title of section -1 from “Military affairs liaison trust fund; established” to “Military affairs liaison trust fund; established; military affairs liaison; duties” to better reflect the content of the section;
- (3) Deleting section -2 relating to the receipt of funds as redundant and unnecessary;
- (4) Combining the military affairs liaison trust fund advisory board and military affairs liaison trust fund advisory committee into one entity to be known as the military affairs liaison trust fund advisory committee, placing the advisory committee within the Department of Business, Economic Development, and Tourism for administrative purposes, and clarifying the membership, appointment process, term, and compensation of the advisory committee; and
- (5) Changing the amount of the appropriation out of the general revenues for deposit into the military affairs liaison trust fund to \$1.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 277, 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. 277, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 2 (Dela Cruz, English).

**SCRep. 1234 Ways and Means on H.B. No. 1308**

The purpose and intent of this measure is to promote digital media industry development in the State.

More specifically, this measure, among other things:

- (1) Establishes, until June 30, 2021, digital media enterprise subzones as unspecified geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones;
- (2) Establishes, until June 30, 2021, tax benefits for digital media infrastructure development and operation;
- (3) Changes the name of the Hawaii Television and Film Development Board and the Hawaii Television and Film Development Special Fund to the Hawaii Film Office Board and the Hawaii Film Office Special Fund, respectively;
- (4) Amends the revenue stream and uses of the Hawaii film office special fund until June 30, 2021, so that moneys in the fund can only be used to fund the operations and personnel costs of the Hawaii Film Office;
- (5) Repeals the digital media enterprise subzone program and tax benefits on June 30, 2021; and
- (6) Reestablishes on July 1, 2021, the revenue stream and uses of the Hawaii film office special fund that were in effect prior to July 1, 2050.

Your Committee received comments in support of this measure from Gene Awakuni, Chancellor, University of Hawaii-West Oahu.

Your Committee received comments on this measure from Richard C. Lim, Interim Director, Department of Business, Economic Development, and Tourism; Cathy L. Takase, Acting Director, Office of Information Practices; and the Tax Foundation of Hawaii.

Your Committee finds that S.B. No. 318, S.D. 2, also addresses the development of Hawaii’s digital media industry.

More specifically, S.B. No. 318, S.D. 2:

- (1) Amends the motion picture, digital media, and film production tax credits to increase the tax credits to unspecified percentages and dollar amounts;
- (2) Provides additional nonrefundable tax credits for qualified media infrastructure projects;
- (3) Establishes a qualified local crew training program rebate equal to an unspecified percentage of the hourly wages of each resident participant in the program;
- (4) Provides an additional tax credit for qualified special or visual effects and animation production costs; and
- (5) Raises the qualified production tax credit caps to unspecified amounts.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 318, S.D. 2.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1308, 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. 1308, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Tokuda, Slom).

**SCRep. 1235 Ways and Means on H.B. No. 1300**

The purpose and intent of this measure is to support the findings and recommendations of the small business discussion group convened in 2010 by the Senate Committee on Economic Development and Technology and the House of Representatives Committee on Economic Revitalization, Business, and Military Affairs.

Specifically, this measure:

- (1) Requires the Department of Taxation to establish a system to allow taxpayers to file all tax returns, applications, reports, and other documents electronically, telephonically, or by optical means;
- (2) Provides for electronic payment of general excise taxes for businesses; and
- (3) Reestablishes the filing and payment deadline of general excise taxes, including but not limited to quarterly filing requirements and the payment of periodic insurance premium taxes, to the last day of the month.

Your Committee received comments in support of this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; Frederick D. Pablo, Director of Taxation, Department of Taxation; The Chamber of Commerce of Hawaii; and Carol Pregill, President, Retail Merchants of Hawaii.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that allowing all tax documents to be filed electronically will benefit both the taxpayer and the State. Taxpayers will be able to file their tax documents and payments in a timely and cost-efficient manner that will reduce administrative costs to the State. Your Committee further finds that reestablishing the payment due date for general excise taxes to the last day of the month will remove an undue burden on Hawaii's businesses.

Your Committee has amended this measure by providing that, upon the repeal of Act 22, Session Laws of Hawaii 2010, the underlying provisions of the affected sections of law are reenacted. Your Committee believes that this amendment more effectively executes the reestablishment of the excise tax payment date to the last day of the month.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1300, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 3 (Dela Cruz, Tokuda, Slom).

**SCRep. 1236 Ways and Means on H.B. No. 960**

The purpose and intent of this measure is to authorize the Hawaii Housing Finance and Development Corporation to grant low-income housing tax credit loans to certain owners of qualified low-income buildings.

In addition, this measure authorizes the issuance of general obligation bonds to fund the loans.

Your Committee received comments in support of this measure from Karen Seddon, Executive Director, Hawaii Housing Finance and Development Corporation; Samuel E.H. Moku, Director, Department of Community Services, City and County of Honolulu; Ed. Gross, President, The Image Group; Kevin R. Carney, Vice President, Hawaii, EAH Housing; Stanford S. Carr, President, and Jesse Wu, Vice President, Stanford Carr Development, LLC; Kevin R. Carney, President, Housing Hawaii; Michael T. Miyabara, FASLA, Miyabara Associates, LLC; Les Masutani, Vice President, Coastal Construction Company, Inc.; Kirt Prunyn, Manager of Business Development & Community Relations, Hawaiian Dredging Construction Company; Rick Moss, PE, MOSS Engineering, Inc.; Marc Matsubara, Vice President, Island Flooring Co., Inc.; Craig Hirai, Chair of the Subcommittee on Affordable Housing, Hawaii Association of REALTORS; and Makani Maeva, Director of Development, Vitus Development, LLC.

Your Committee received comments on this measure from David M. Louie, Attorney General, Department of the Attorney General; Kalbert K. Young, Director, Department of Budget and Finance; and the Tax Foundation of Hawaii.

Your Committee finds that this measure gives certain owners of qualified low-income buildings the option of receiving low-income housing tax credit loans from the Hawaii Housing Finance and Development Corporation in lieu of claiming low-income housing tax credits under the income tax laws. Low-income housing tax credit loans will serve as an alternative source of gap financing to developers of affordable housing, thus addressing one of the greatest challenges to developing affordable housing.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2017, to facilitate continued discussion on the measure; and
- (2) Making a technical amendment to reflect existing statutory 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 H.B. No. 960, 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. 960, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Slom).

**SCRep. 1237 Ways and Means on H.B. No. 575**

The purpose and intent of this measure is to extend the five per cent legislative, executive, and judicial salary reductions from June 30, 2011, to June 30, 2013.

Your Committee received comments on this measure from Rodney A. Maile, Administrative Director of the Courts, the Judiciary, State of Hawaii.

Your Committee finds that Act 85, Session Laws of Hawaii 2009, reduced the salary levels of state legislators, justices, judges, and certain executive branch positions, by five per cent. At the time that Act 85 was passed, the Legislature believed that the economy would rebound soon, and therefore, the salary cuts were scheduled to sunset on June 30, 2011.

Unfortunately, the economy has not recovered as quickly or strongly as expected, and given the current state of the economy and the fiscal condition of the State, your Committee believes that it would be prudent to extend the salary cuts through December 31, 2013.

Your Committee has amended this measure by:

- (1) Extending the legislative, executive, and judicial salary reduction through December 31, 2013; and
- (2) Clarifying that once the reduction period has expired, the new salaries are to be effective January 1, 2014, based on the recommendations of the Commission on Salaries.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 575, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 575, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

**SCRep. 1238 Ways and Means on H.B. No. 324**

The purpose and intent of this measure is to establish the South Kona Wilderness Area on the island of Hawaii and provide a mechanism for the creation of a plan managing the wilderness area.

The measure also establishes:

- (1) A historical district designation to recognize the historical and cultural significance of certain areas of the State; and
- (2) The West Oahu Historical District.

Your Committee received written comments in opposition to this measure from Dave Arakawa, Executive Director, Land Use Research Foundation of Hawaii; William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; and Abbey S. Mayer, Vice President, Government Relations, The Resort Group.

Your Committee received comments on this measure from The Nature Conservancy of Hawaii.

Your Committee finds that Act 59, Session Laws of Hawaii 2003, established the South Kona Wilderness Area and provided for the development of a comprehensive management plan for the area, but was subsequently repealed on December 31, 2007. Your Committee further finds that the area has significant archeological sites that warrant the protection and preservation provided by this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the prohibition on construction within one thousand feet of the shoreline in the South Kona Wilderness Area only applies to publicly-owned lands;
- (2) Removing the footprint size limitation on exempt dwellings built by private landowners within one thousand feet of the shoreline in the South Kona Wilderness Area;
- (3) Authorizing the Department of Land and Natural Resources to acquire private lands within the South Kona Wilderness Area for cash through condemnation, as opposed to a donation or a value-for-value exchange for other state lands;
- (4) Requiring that the costs associated with appraisals for land acquisitions within the South Kona Wilderness Area are to be borne by the State instead of private land owners;
- (5) Providing that only publicly-owned lands within the South Kona Wilderness Area shall be classified as lands within the conservation district, without the necessity of any proceedings before the Land Use Commission;
- (6) Deleting language requiring the Department to develop a comprehensive management plan for the South Kona Wilderness Area;
- (7) Changing the West Oahu Historical District to the Pearl Harbor-Honouliuli Historical District; and
- (8) Repealing Part I of the measure on June 30, 2032.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 324, 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. 324, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 1 (Slom).

**SCRep. 1239 (Majority) Ways and Means on H.B. No. 1092**

The purpose and intent of this measure is to amend Hawaii tax law to institute improvements and equity among taxpayers.

More specifically, this measure:

- (1) Provides for the taxation of the pension income of:
  - (A) An individual filer with federal adjusted gross income of \$100,000 or more;
  - (B) A head of household with federal adjusted gross income of \$150,000 or more; and
  - (C) A joint or surviving spouse filer with federal adjusted gross income of \$200,000 or more; and
- (2) Makes the deduction for state taxes paid inoperative for corporate taxpayers and the following individual taxpayers:
  - (A) An individual filer with federal adjusted gross income of \$75,000 or more;
  - (B) A head of household with federal adjusted gross income of \$112,500 or more; and
  - (C) A joint or surviving spouse filer with federal adjusted gross income of \$150,000 or more.

Your Committee received written comments in support of this measure from Kalbert K. Young, Director, Department of Budget and Finance; Frederick D. Pablo, Director, Department of Taxation; Eldon L. Wegner, Ph.D., Policy Advisory Board for Elder Affairs; and Kris Coffield, representing IMUAlliance.

Your Committee received written comments in opposition to this measure from Susan Goya, Executive Secretary, Retirees Unit, Hawaii Government Employees Association; Paul T. Matsuo, President, Oahu Chapter, Retirees Unit, Hawaii Government Employees Association; Barbara Kim Stanton, State Director, AARP Hawaii; and thirty-eight individuals.

Your Committee received comments on this measure from David M. Louie, Attorney General, Department of the Attorney General; the Tax Foundation of Hawaii; Barbara Polk, Legislative Chair, Americans for Democratic Action/Hawaii; and two individuals.

Your Committee finds that a retiree's federal adjusted gross income includes not only a retiree's pension income, but Social Security benefits as well. Your Committee further finds that it is more prudent and fair to determine the taxability of a retiree's pension income by considering the amount of the retiree's pension income alone.

Your Committee has amended this measure by:

- (1) Deleting the tiered threshold provisions, based on federal adjusted gross income, for the taxation of pension income;
- (2) Providing that taxation of pension income shall apply to pension income in excess of \$100,000;
- (3) Changing the effective date to July 1, 2117, 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. 1092, 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. 1092, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Dela Cruz, English, Espero, Fukunaga, Kidani, Kouchi, Tokuda, Wakai). Noes, 4 (Chun Oakland, Kim, Ryan, Slom). Excused, none.

**SCRep. 1240 Ways and Means on H.B. No. 1012**

The purpose and intent of this measure is to support the Department of the Attorney General's efforts in connection with the 2011 Asia-Pacific Economic Cooperation Leaders Meeting in Honolulu by appropriating funds for law enforcement personnel and their related operating and equipment costs to ensure a safe and successful meeting.

Your Committee finds that, as the Asia-Pacific Economic Cooperation Leaders Meeting is expected to be attended by the President of the United States, heads of state, cabinet ministers, business leaders, and government officials, it is imperative that the State provide a safe venue for the event. The funding of this measure will enable the planning and operation of security services and activities necessary for the protection of the Asian and Pacific officials and leaders who will be attending the November 2011 meeting.

Your Committee has amended this measure by changing the appropriation to an unspecified amount to facilitate continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1012, 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. 1012, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

**SCRep. 1241 Ways and Means on H.B. No. 1000**

The purpose and intent of this measure is to make amendments to chapter 138, Hawaii Revised Statutes, regarding provision of enhanced 911 services.

Specifically, this measure:

- (1) Renames the Wireless Enhanced 911 Board the Enhanced 911 Board;
- (2) Expands the Enhanced 911 Board's membership from eleven to thirteen to include an additional representative from the City and County of Honolulu and a representative of a provider of voice over internet protocol communications service;
- (3) Expands the monthly enhanced 911 surcharge, now paid only by wireless connection subscribers, to all communication service connections, except those provided by the public utility providing land line enhanced 911 services;
- (4) Expands the authority of the Board to make expenditures from the Enhanced 911 Fund from those necessary to recover the cost of providing wireless enhanced 911 service to include expenditures for sustaining current enhanced 911 service and funding future technologies;
- (5) Permits the public utility providing land line enhanced 911 services to retain the land line enhanced 911 service surcharge authorized by section 269-16.95, Hawaii Revised Statutes, and prohibits payments to the public utility from the Enhanced 911 Fund for the cost of providing enhanced 911 services;
- (6) Prohibits the Board from retaining an accounting firm, consultant, or other third party if the third party has a conflict of interest;
- (7) Extends the State's limitation of liability with regard to provision of enhanced 911 services to accounting firms, consultants, or other third parties retained by the Board;
- (8) Adds and amends definitions; and
- (9) Authorizes the Board to adopt administrative rules pursuant to chapter 91, Hawaii Revised Statutes.

Your Committee received comments in support of this measure from Paul K. Ferreira, Chair, Wireless Enhanced 911 Board, State of Hawaii; Kenneth G. Silva, Chair, State Fire Council and Fire Chief of the Honolulu Fire Department; Jeffrey A. Murray, Fire Chief, County of Maui, Department of Fire & Public Safety; and Robert Westerman, Fire Chief, Kauai Fire Department, County of Kauai.

Your Committee finds that efficient management of 911 emergency networks saves lives and dramatically reduces the liability of government entities and agencies. The technologies involved in providing enhanced 911 services have converged to a point where systems required to provide these services are blended and evolving to accept other forms of communications, including text, video, and telematics data. Your Committee further finds that this measure will assist in enhancing 911 emergency telephone reporting services and allow for the delivery of emergency services via 911 from all communications technologies.

Your Committee has amended this measure by:

- (1) Deleting the definition of "competitive local exchange carrier" because the term is not used in the measure; and
- (2) Changing all references to the "local exchange carrier" and "local exchange" to the "public utility providing telecommunications services and land line enhanced 911 services through section 269-16.95" and "telecommunications services and land line services", respectively.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1000, 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. 1000, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1242 (Majority) Ways and Means on H.B. No. 1626**

The purpose and intent of this measure is to temporarily authorize the County of Hawaii to expend a portion of its fuel tax revenues for the maintenance of substandard private subdivision roads that are used by the public.

Your Committee received comments in support of this measure from Brittany Smart, Council Member, Hawaii County Council, County of Hawaii; M. Eileen O'Hara, Board President, Hawaiian Shores Community Association and Pakaka Road Association; Rob Tucker, President, Friends of Puna's Future; Mary Brewer, President, Volcano Community Association; and seventy-seven individuals.

Your Committee received comments in opposition to this measure from five individuals.

Your Committee received comments on this measure from the Tax Foundation of Hawaii and one individual.

Your Committee finds that this measure will help the County of Hawaii address a backlog of maintenance created when large substandard private subdivisions were approved decades ago without proper infrastructure, such as roads, water, and sewer.

Your Committee has amended this measure by clarifying that, upon the sale of any portion of the private subdivision to an entity other than the State or the County of Hawaii, neither the State nor the County of Hawaii shall be required to install infrastructure for those roads in the portion of the private subdivision that is sold.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1626, 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. 1626, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Kouchi). Noes, 1 (Slom). Excused, 2 (Dela Cruz, English).



**SCRep. 1243 Ways and Means on H.B. No. 1039**

The purpose and intent of this measure is to mitigate the impact of sudden and severe economic events by amending the authority granted to the Governor by Act 33, First Special Session Laws of Hawaii 2009, to provide rent relief to certain airport concessionaires to include providing rent relief to those concessionaires that do not have a self-adjusting rent formula.

This measure would also extend the sunset date of Act 33, First Special Session Laws of Hawaii 2009, from July 1, 2011, to July 1, 2012.

Your Committee deferred decision-making on this measure and conducted a public hearing on a proposed S.D. 2 that was prepared and made available for public review. The proposed S.D. 2 deleted the substantive contents of the S.D. 1 and inserted new provisions, the purposes of which are to:

- (1) Increase the motor vehicle rental surcharge tax levied under section 251-2, Hawaii Revised Statutes, from \$2.00 per day to \$7.00 per day until June 30, 2013;
- (2) Deposit \$4.50 of the motor vehicle rental surcharge tax levied into the general fund until June 30, 2013; and
- (3) Suspend until June 30, 2013, the \$4.50 per day rental motor vehicle customer facility charge authorized by section 261-7, Hawaii Revised Statutes.

Your Committee received comments in opposition to the proposed S.D. 2 from the Department of Transportation; Garrick Higuchi, Hawaii Area Director, Dollar Thrifty Automotive Group; Donald Fonte, Director, Government Relations, The Hertz Corporation; and Maurice Morita, Assistant Director, Hawaii Laborers Employers Corporation and Education Trust.

Your Committee received comments on the proposed measure from the Tax Foundation of Hawaii.

Your Committee finds that due to sudden, extraordinary, and severe economic events, the Legislature granted the Governor the authority to provide relief to various airport concessionaires pursuant to Act 33, Special Session Laws of 2009. That relief, however, was inequitable, because it applied only to those concessionaires that had a self-adjusting eighty-five per cent guaranteed rent formula that provided relief in the event of adverse economic occurrences. This measure equitably assists all airport concessionaires by providing rent relief to those concessionaires that have a guaranteed rent formula under their lease with the State.

Your Committee has amended this measure by:

- (1) Retaining the contents of the proposed S.D. 2 and designating those provisions as part II of the measure;
- (2) Reinserting the contents of House Bill No. 1039, H.D. 1, S.D. 1 as part I of the measure;
- (3) Amending the rent relief provisions by extending the repeal date of Act 33, Special Session Laws of Hawaii 2009, to July 1, 2013, rather than to July 1, 2012; and
- (4) Inserting provisions that authorize the issuance of general obligation bonds for the purpose of constructing car rental facilities at various airports throughout 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. 1039, 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. 1039, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Kahele, Kidani). Noes, none. Excused, 2 (Kim, Slom).

**SCRep. 1244 Ways and Means on H.B. No. 306**

The purpose and intent of this measure is to amend the method of computing the estate and transfer tax, generation-skipping transfer tax, and the estate tax of nonresidents who were not citizens at the time of death.

Your Committee received written comments in support of this measure from Frederick D. Pablo, Director, Department of Taxation; and Craig Hirai, Member, Subcommittee on Taxation and Finance, Hawaii Association of REALTORS.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the measure makes clarifying amendments to the estate and transfer tax, the generation-skipping transfer tax, and the estate tax. These clarifying amendments will assist tax practitioners and taxpayers in computing the aforementioned taxes.

Your Committee also finds that extending enterprise zone tax benefits to the solar energy industry will provide a significant positive result for the State. Such tax benefits will stimulate the growth of the energy technology sector, create new construction and jobs, and promote research and development in the solar energy technologies field.

Your Committee has amended this measure by:

- (1) Inserting the contents of S.B. No. 1164, S.D. 2, which amends the definition of "eligible business activity" in the enterprise zone program to include the production of certain electric power from renewable energy and owning, controlling, operating, or managing a seawater air conditioning district cooling project; 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 H.B. No. 306, 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. 306, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Slom).

**SCRep. 1245 (Majority) Ways and Means on H.B. No. 1411**

The purpose and intent of this measure is to clarify the new and old nonjudicial foreclosure laws, strengthen the laws regarding mortgage servicers, broaden the duties of the Center for Alternative Dispute Resolution relating to foreclosures, and impose a three-month foreclosure moratorium.

Specifically, this measure:

- (1) Implements the recommendations of the Mortgage Foreclosure Task Force, pursuant to Act 162, Session Laws of Hawaii 2010, regarding the old nonjudicial foreclosure laws as well as best practices from other jurisdictions; and
- (2) Gives mortgagors the right to require mortgagees foreclosing under a nonjudicial foreclosure proceeding to participate in dispute resolution.

Your Committee received comments in support of this measure from Myoung Oh, Government Affairs Director, Hawaii Association of REALTORS.

Your Committee received comments in opposition to this measure from Rodney A. Maile, Administrative Director of the Courts, The Judiciary; Gary Fujitani, Executive Director, Hawaii Bankers Association; Stefanie Sakamoto and Frank Hogan, on behalf of Hawaii Credit Union League; Philip S. Nerney, Chair, Legislative Action Committee, Community Associations Institute Hawaii Chapter; and Philip L. Lahne, Legislative Action Committee, Community Associations Institute.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance; Marvin S.C. Dang, on behalf of Hawaii Financial Services Association; and Gary Slovin and Mihoko E. Ito, on behalf of USAA.

Your Committee finds that that this omnibus measure will provide much needed and comprehensive reform of Hawaii's mortgage foreclosure laws and will curb further incidents of industry abuses that are believed to have contributed greatly to the foreclosure crisis facing Hawaii's homeowners today.

Your Committee has amended this measure by:

- (1) Providing headings for parts I through V of the bill to facilitate understanding of its contents;
- (2) Adding a definition of "foreclosing mortgagee" applicable to part I of chapter 667, Hawaii Revised Statutes, that incorporates by reference the amended definition of that term in part II of that chapter;
- (3) Clarifying that, if a mortgagor elects to pursue dispute resolution with the mortgagee in a nonjudicial foreclosure, the mortgagor waives the right to later convert the nonjudicial foreclosure action to a judicial one;
- (4) Moving the proposed new sections 667-G, 667-H, and 667-I, Hawaii Revised Statutes, so that they are added to part III of chapter 667 and applicable to both part I and part II of that chapter;
- (5) Consolidating the amendments to section 667-5, Hawaii Revised Statutes, proposed by two sections of the bill into a single section;
- (6) Repealing sections 667-34 and 667-35, Hawaii Revised Statutes; and
- (7) 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. 1411, 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. 1411, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 2 (Kidani, Slom). Excused, none.

**SCRep. 1246 (Majority) Ways and Means on H.B. No. 1041**

The purpose and intent of this measure is to eliminate Medicare Part B reimbursements for employee-beneficiaries who are hired after June 30, 2011, and their spouses.

Your Committee received comments in support of this measure from Derek Mizuno, Deputy Executive Director, Hawaii Government Employees Association.

Your Committee received comments in opposition to this measure from Kris Coffield, Legislative Director, IMUAlliance; and ten individuals.

Your Committee received comments on this measure from David M. Louie, Attorney General, Department of the Attorney General; Kalbert Young, Director, Department of Budget and Finance; the Hawaii Employer-Union Health Benefits Trust Fund; and the Hawaii State Teachers Association.

Your Committee finds that eliminating Medicare Part B reimbursements is one way of containing the ever-increasing cost of retiree health benefits paid by state and county employers. Furthermore, this measure will facilitate the sustainability of benefits under the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee has amended this measure by clarifying that the Medicare Part B reimbursement is tied to the annual "standard" Medicare Part B premium and providing a definition for that term.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, 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. 1041, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Ryan). Noes, 1 (Slom). Excused, 1 (Tokuda).

**SCRep. 1247 (Majority) Ways and Means on H.B. No. 782**

The purpose and intent of this measure is to make the Department of Business, Economic Development, and Tourism more self-sufficient.

Specifically, this measure:

- (1) Establishes the Department of Business, Economic Development, and Tourism operation special fund for the operation of the Department of Business, Economic Development, and Tourism; and
- (2) Imposes a surcharge on certain business- and commerce-related fees and requires the surcharge revenues to be deposited into the special fund.

Your Committee received comments in support of this measure from Richard C. Lim, Director, Department of Business, Economic Development, and Tourism.

Your Committee received comments in opposition to this measure from Dwight Y. Takamine, Director, Department of Labor and Industrial Relations; Kealii Lopez, Director, Department of Commerce and Consumer Affairs; Gary M. Slovin, on behalf of USAA; Rick Tsujimura, on behalf of State Farm Insurance Companies; Kevin Katsura, Associate General Counsel, Legal Department, Hawaiian Electric Company, Inc.; Marvin S.C. Dang, attorney for Hawaii Financial Services Association; Myoung Oh, Government Affairs Director, Hawaii Association of REALTORS; Alison Powers, Executive Director, Hawaii Insurers Council; and Natalie J. Iwasa, Natalie J. Iwasa, CPA, Inc.

Your Committee received comments on this measure from Kalbert K. Young, Director, Department of Budget and Finance; and the Tax Foundation of Hawaii.

Your Committee finds that imposing a surcharge on certain business- and commerce-related fees and establishing the Department of Business, Economic Development, and Tourism operation special fund is unnecessary at the present time.

Your Committee further finds that promotion of the aerospace industry in Hawaii will result in job growth, a stronger local economy, and conservation of Hawaii's natural night-sky resource.

Accordingly, your Committee has amended this measure by deleting the contents of H.B. 782, H.D. 2, S.D. 1, and inserting the contents of S.B. 165, S.D. 2, which extend the Starlight Reserve Advisory Working Committee until June 30, 2013, and appropriates moneys for the Office of Aerospace Development to identify and promote opportunities to expand and diversify aerospace-related industries in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 782, 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. 782, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Kim, Ryan, Tokuda). Noes, 1 (Kidani). Excused, 3 (Dela Cruz, English, Slom).

**SCRep. 1248 Ways and Means on H.B. No. 667**

The purpose and intent of this measure is to promote food safety by establishing good agricultural guidelines and practices for the State.

Specifically, this measure:

- (1) Establishes a food safety and security program within the Department of Agriculture; and
- (2) Makes an appropriation to the Department of Agriculture for the food safety and security program; and
- (3) Directs the Department of Agriculture to adopt rules relating to the production, processing, and distribution of food products or agricultural commodities to meet state and federal food safety standards.

Your Committee received comments in support of this measure from Dave Arakawa, Executive Director, Land Use Research Foundation of Hawaii.

Your Committee finds that the State's current system for ensuring food safety is understaffed and untrained for the rapid changes that have occurred in risk assessment, changes in production and distribution methodologies, and new foods and emerging pathogens. Your Committee further finds that food safety programs are not integrated among government agencies, hampering communication and cooperation. Further, it appears that many of Hawaii's food growers are not implementing good agricultural practices. This measure will address these and other serious food safety concerns by establishing a statewide, comprehensive food safety and security program.

Your Committee has amended this measure by:

- (1) Deleting the appropriation for the food safety and security program; 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 H.B. No. 667, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 667, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1249 (Majority) Ways and Means on H.B. No. 1330**

The purpose and intent of this measure is to provide continued support for the University of Hawaii John A. Burns School of Medicine.

Specifically, this measure:

- (1) Extends until June 30, 2015, the allocation of Hawaii tobacco settlement special fund moneys to be used for the annual operating expenses of the John A. Burns School of Medicine;
- (2) Beginning with fiscal year 2012-2013:
  - (A) Reduces the amount of tobacco settlement funds allocated for the John A. Burns School of Medicine by one per cent each fiscal year; and
  - (B) Increases the amount of tobacco settlement funds deposited into the general fund by one per cent each fiscal year; and
- (3) Requires the University of Hawaii to submit a detailed accounting report to the Legislature, prior to the regular sessions of 2012 to 2015, on all revenues and expenditures relating to moneys used for the John A. Burns School of Medicine's operating costs and appropriations into the university revenue-undertakings fund.

Your Committee received comments in support of this measure from Virginia S. Hinshaw, Chancellor, University of Hawaii at Manoa; Michele Carbone, MD, Director, University of Hawaii Cancer Center; Dr. Morris Mitsunaga, President, Hawaii Medical Association; Darrin Sato, Chief Operating Officer, Kalihi-Palama Health Center; and Virginia Pressler, Executive Vice President, Hawaii Pacific Health.

Your Committee received comments in opposition to this measure from Trisha Y. Nakamura, Policy and Advocacy Director, Coalition for a Tobacco-Free Hawaii.

Your Committee received comments on this measure from George S. Massengale, Director of Government Relations, American Cancer Society Hawaii Pacific, Inc.

Your Committee finds that under current law, twenty-eight per cent of tobacco settlement funds received by the State are allocated to be used for the John A. Burns School of Medicine's annual operating expenses. The school's authorization to use those funds expires on June 30, 2011. Your Committee believes that extending the sunset date for the John A. Burns School of Medicine's use of tobacco settlement funds, while annually reducing the portion of funds allocated for those purposes, will encourage the school to gradually reduce its reliance on these funds and achieve greater self-sufficiency.

Your Committee has amended this measure by:

- (1) Changing to an unspecified percentage:
  - (A) The amount by which the tobacco settlement funds allocated for the John A. Burns School of Medicine are to be reduced each fiscal year; and
  - (B) The amount by which tobacco settlement funds allocated for the general fund are to be increased each fiscal year;
- (2) Making a technical, nonsubstantive amendment for the purpose of style; and
- (3) Changing the effective date to July 1, 2117, 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. 1330, 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. 1330, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Dela Cruz, Espero, Ryan, Wakai). Noes, 2 (Chun Oakland, Slom). Excused, 1 (Kahele).

**SCRep. 1250 Ways and Means on H.B. No. 1568**

The purpose and intent of this measure is to provide for the development and operation of biosecurity and inspection facilities at Hawaii's ports and applicable off-port locations.

Specifically, the measure:

- (1) Authorizes the Department of Agriculture to reimburse in full the Department of Transportation and the Aloha Tower Development Corporation for the design, construction, and rent for the use of space for the biosecurity and inspection facilities; and
- (2) Appropriates funds for the Department of Agriculture to reimburse the Department of Transportation and the Aloha Tower Development Corporation for the establishment of biosecurity and inspection facilities.

Your Committee received comments in support of this measure from Russell S. Kokubun, Chairperson, Board of Agriculture; William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Christy Martin, Coordinating Group on Alien Pest Species; and two individuals.

Your Committee received comments in opposition to the measure from Department of Transportation; The Nature Conservancy; and the Maui Invasive Species Committee.

Your Committee received comments on this measure from Gary M. Slovin and Mihoko E. Ito, on behalf of the Air Transport Association; and Lori Peters and Blaine Miyasato, Co-Chairs, Airlines Committee of Hawaii.

Your Committee finds that securely importing and exporting agricultural commodities is essential to the long-term viability of Hawaii's agriculture industry. Proper inspection and treatment of incoming and outgoing agricultural commodities will reduce the probability of the introduction of new pests and invasive species to Hawaii and the proliferation of such pests and invasive species elsewhere. This measure will decrease the likelihood of economic losses associated with the introduction of invasive species and reduce the likelihood of a quarantine on Hawaii's exported goods.

Your Committee has amended this measure by:

- (1) Deleting the provisions authorizing the Department of Agriculture to reimburse the Department of Transportation and the Aloha Tower Development Corporation for the design and construction of the biosecurity and inspection facilities;
- (2) Changing the funding mechanism to general obligation bonds for the Department of Transportation to design and construct biosecurity and inspection facilities for the Department of Agriculture at airports and harbors;
- (3) Changing the effective date to July 1, 2117, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1568, 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. 1568, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Dela Cruz, Kahele). Noes, none. Excused, 1 (Slom).

**SCRep. 1251 Ways and Means on H.B. No. 1045**

The purpose and intent of this measure is to adopt the National Association of Insurance Commissioners' Risk-Based Capital for Health Organizations Model Act to ensure consistent regulatory treatment of health maintenance organizations, mutual benefit societies, fraternal benefit societies, managed care plans, and similar risk-bearing entities.

Your Committee received comments in support of this measure from Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; and Jennifer Diesman, Vice President, Government Relations, Hawaii Medical Service Association.

Your Committee finds that adoption of the National Association of Insurance Commissioners' model laws and regulations is essential for the state Insurance Division to retain the National Association of Insurance Commissioners accreditation. The National Association of Insurance Commissioners' financial regulation standards and accreditation program ensures that each state has adequate solvency laws and regulations to protect consumers and guarantee funds.

Your Committee has amended this measure by:

- (1) Changing the term "limited benefit society" to "limited society"; and
- (2) Clarifying that if a domestic benefit society or health maintenance organization only writes direct business in Hawaii and assumes no reinsurance in excess of five per cent of direct premiums written; and either:
  - (A) Writes only \$2,000,000 or less in direct annual premiums for comprehensive medical business; or
  - (B) Is a limited society or health maintenance organization that covers less than two thousand lives;

then the Insurance Commissioner has the authority to exempt the domestic benefit society, limited society, or health maintenance organization from the risk-based capital for insurers requirements of chapter 431, article 3, 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. 1045, 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. 1045, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, none.

**SCRep. 1252 (Majority) Ways and Means on H.B. No. 1019**

The purpose and intent of this measure is to revise the amounts allocated from the environmental response, energy, and food security tax, known as the barrel tax, to support programs that improve the State's energy and food sustainability and independence.

In addition, this measure extends the climate change task force for two years, until June 30, 2013, and authorizes funding for its operations.

Your Committee received comments in support of this measure from Russell S. Kokubun, Chairperson, Board of Agriculture; Sylvia Yuen, Interim Dean and Director, College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa; Hawaii Farm Bureau Federation; Blue Planet Foundation; Christopher Eldridge, Partner, Aina Koa Pono, LLC; and two individuals.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the State is detrimentally reliant on imported fossil fuel and subject to the environmental risks associated therewith. Your Committee further finds that it is in the best interests of the residents of the State to better use barrel tax revenues for energy self-sufficiency and sustainable agriculture to ensure Hawaii's energy and food security. This measure also will protect the economic well-being, public health, natural resources, and environment of the State by providing funding for the climate change task force to assess impacts of global warming and rising sea levels and develop strategies to mitigate those impacts.

Your Committee has amended this measure by:

- (1) Changing the amounts allocated from the barrel tax to unspecified amounts;
- (2) Removing the provision in section 8 that would retain amendments to section 243-3.5, Hawaii Revised Statutes, made by this measure when that section is reenacted on June 30, 2015, because the Climate Change Task Force is scheduled to sunset on June 30, 2013, and the agricultural development and food security special fund will cease to exist on June 30, 2015, making revenues for operation of the Task Force or for deposit into the special fund unnecessary after the latter date;
- (3) Providing that the allocation to the Climate Change Task Force shall be made until June 30, 2013, after which the allocation shall be made to the agricultural development and food security special fund; and
- (4) Changing the effective date to July 1, 2117, 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. 1019, 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. 1019, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 3 (Dela Cruz, Kidani, Tokuda).

**SCRep. 1253 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 922**

The purpose and intent of this measure is to, among other things:

- (1) Allow 999-year homestead leases to be assigned to land trusts that are created for managing and holding the homestead leasehold estate for the benefit of the lessee and lessee's family members;
- (2) Authorize exemptions from state and county permits for the Hawaii Marine Laboratory Refuge for repair and maintenance of its facilities on Coconut Island;
- (3) Require the Department of Land and Natural Resources to initiate and coordinate all efforts to establish a public lands information system; and
- (4) Appropriate funds for a comprehensive statewide public land trust inventory database and funding for one staff position for a database and application developer.

Your Committees received testimony in support of this measure from the University of Hawai'i System and four individuals. Your Committees received comments on this measure from the Department of the Attorney General, Department of Land and Natural Resources, Office of Hawaiian Affairs, and one individual.

Your Committees find that H.B. No. 377, S.D. 1, also addresses the subject matter contained in Part II of this measure, relating to Coconut Island, and that the inclusion of this language in this measure is duplicative and unnecessary. Additionally, your Committees heard testimony indicating that the use of the terms "public lands" and "public land inventory" throughout the measure could be misconstrued.

Accordingly, your Committees have amended this measure by:

- (1) Removing part II of the measure;
- (2) Changing references from "public lands" and "public land inventory" to "public land trust lands" and "inventory of public land trust lands", respectively; 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 Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 922, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 922, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 7 (English, Fukunaga, Gabbard, Ihara, Kim, Tokuda, Wakai).

**SCRep. 1254 Judiciary and Labor on H.B. No. 227**

The purpose and intent of this measure is to:

- (1) Make entering or remaining unlawfully on unimproved or unused agricultural lands without permission an offense of criminal trespass in the second degree if the lands are fenced, enclosed, or secured, or if a sign is displayed to give notice;
- (2) Delete the provision that a person who enters or remains on unimproved and apparently unused land that is not fenced or otherwise enclosed in a manner designed to exclude intruders, unless notice against trespass has been given, is allowed to be on the land and is not trespassing;
- (3) Specify that a person has unlawfully entered or remains on agricultural land if that person is on the land without permission and the land is fenced, has posted notice that the land is private, is fallow, or has the visible presence of livestock or a crop;
- (4) Limit the liability of agricultural landowners for any injury, death, loss, or damage suffered by a trespasser, with certain exceptions; and
- (5) Add definitions for “agricultural land”, “fallow”, “invited guest”, “owner”, “trespasser”, and “unimproved or unused lands”.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Kamehameha Schools.

Your Committee finds that trespassing causes damage to property and crops and increases the liability of land owners. Trespassers may also misuse lands as illegal dump sites and places to conduct illicit activities. Your Committee also finds that the current trespass laws exclude persons trespassing on unimproved and apparently unused lands from being cited for criminal trespass unless notice of trespass is personally communicated to that person. Your Committee recognizes that, in many cases, trespassers are armed and located many miles from the nearest town or police station and that in these situations giving personal notice is impractical and even dangerous. This measure aims to expand the definition of criminal trespass and to minimize the obstacles involved in citing a trespasser, thereby discouraging the misuse of lands and increasing the overall safety of residents of the State.

Your Committee has amended this measure by:

- (1) Including evidence of livestock-raising, such as cattle, horses, water troughs, shelters, or paddocks, as a characteristic of agricultural lands onto which entry constitutes entering or remaining unlawfully on agricultural lands;
- (2) Amending the definitions of “agricultural land”, “fallow”, “owner”, and “trespasser”;
- (3) Deleting the definition of “invited guest”;
- (4) Changing the effective date to July 1, 2011; 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 227, 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. 227, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1255 Judiciary and Labor on H.B. No. 1003**

The purpose and intent of this measure is to:

- (1) Amend certain criminal offenses in the Penal Code to include conduct committed against domestic violence victims covered by protective orders or restraining orders;
- (2) Establish class A and class B felonies for labor trafficking offenses, a nonpayment of wages offense, and an unlawful conduct with respect to documents offense; and
- (3) Establish provisions related to prosecution of the new labor trafficking and related offenses.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations Office of Community Services, Equality Now, The Pacific Survivor Center, Polaris Project, IMUAlliance, The Pacific Alliance to Stop Slavery, Hawaii Family Forum, Hawaii Catholic Conference, and eight individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that victims of domestic violence and labor trafficking are in need of added protection under Hawaii law. For domestic violence victims, restraining orders or orders from police officers to abusers to leave the premises are intended to remove abusers from the vicinity of domestic violence victims and provide safety. Your Committee believes that domestic violence victims are particularly vulnerable when they attempt to disengage from their abusers and at such time, violence and the threat of violence are at their most extreme levels. By increasing the penalties against abusers in these situations, your Committee believes that violent retaliation may be deterred and may help break victims from the cycle of violence.

For victims of labor trafficking, your Committee understands that while there are federal remedies, federal law enforcement does not investigate small trafficking operations where there are only one or two victims. Recent cases have highlighted that Hawaii is not immune from this type of inhumane treatment of others. Your Committee believes that legislation is appropriate to deal with labor trafficking on the state level but has concerns regarding whether grouping the issues of domestic violence and labor trafficking is the best way to do so. Accordingly, your Committee believes that part II of the measure, pertaining to labor trafficking, should be separated from the provisions relating to domestic violence so that each issue may be addressed on its merits, rather than as part of a package of unrelated matters. Your Committee finds that the provisions of part II of this measure may be inserted into another measure, H.B. No. 141, H.D. 1, so that each issue can be given the attention and thoughtful consideration it deserves.

Therefore, your Committee has amended this measure by:

- (1) Deleting part II of the measure, pertaining to labor trafficking; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1003, 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. 1003, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1256      Judiciary and Labor on H.B. No. 1134**

The purpose and intent of this measure is to ensure that Hawaii residents continue to receive top-quality health care, regardless of federal health care laws, by repealing the provision of the Hawaii Prepaid Health Care Act that sunsets the Act upon enactment of a national health plan.

Your Committee finds that the State of Hawaii has been providing quality health care to a large majority of its residents since 1974, when the Hawaii Prepaid Health Care Act was enacted. While it is refreshing to see Hawaii's historic health care reform replicated on a national scale, it is imperative that our state health care is not jeopardized by a federal plan that may not be as favorable as benefits provided under the Hawaii Prepaid Health Care Act.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1134, 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. 1134, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1257      Judiciary and Labor on H.B. No. 1221**

The purpose and intent of this measure is to exempt a liquor licensee from liability for certain violations if the licensee has in place a security plan approved by the liquor commission to prevent consumption of liquor by minors and the licensee acts in good faith to implement the security plan.

Your Committee finds that while this measure may have merit and should be advanced to the conference process so that discussion may continue, your Committee has reservations about the policy enshrined in this measure. Your Committee questions whether the standard of good faith compliance with a security plan is adequate to effectively prevent minors from accessing and consuming liquor. Your Committee has further concerns that this measure may allow conduct in a large facility that would be impermissible at other licensed premises. However, your Committee notes that its concerns are not necessarily insurmountable and may be balanced by other interests. Therefore as this measure advances in the legislative process, your Committee is committed to remain actively involved in seeking an appropriate and permanent resolution to the important issues raised.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221, 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. 1221, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 1258      Judiciary and Labor on H.B. No. 1407**

The purpose and intent of this measure is to:

- (1) Allow for access to adoption records by parties to the proceedings under certain circumstances; and
- (2) Allow a natural parent to insert a contact preference into the sealed adoption record.

Your Committee has heard the concerns that parties to an adoption have a reasonable expectation of privacy. This measure in its current form removes all mention of the process that allows a natural parent or an adopted person to file an affidavit requesting confidentiality. Confidentiality is an important factor in the adoption process and can be important to many people when making the decision to place a child for adoption. Your Committee is not comfortable with suddenly removing the legal protections of confidentiality. Accordingly, your Committee would like to retain the distinction between classes of adoptions occurring before and after 1990 in order to maintain reasonable expectations of privacy in the adoption process.

Your Committee is in agreement with provisions of this measure relating to contact preferences. Your Committee finds that this is a reasonable way to inform an adopted party about the desire of a natural parent to accept contact once the adopted individual attains the



age of eighteen. Your Committee further finds that requiring the natural parent to provide current contact information will make it easier for an adopted individual to get in touch with a natural parent.

Your Committee has amended this measure by:

- (1) Reinstating language requiring a written request for inspection for adoptions that occurred prior to January 1, 1991, and permitting the natural parent to file an affidavit requesting confidentiality;
- (2) Reinstating language to establish a policy of disclosure for adoptions occurring after December 31, 1990, unless the natural parent files an affidavit requesting confidentiality;
- (3) Reinstating language allowing for a written request for inspection of adoption records by a natural parent;
- (4) Reinstating language that provides for the inspection of adoption records; provided that where one natural parent files an affidavit for consent, the records shall only include identifying information concerning that natural parent;
- (5) Inserting language providing that an existing affidavit requesting confidentiality shall be suspended if a natural parent provides a contact preference accepting contact;
- (6) Inserting language providing that if a natural parent later places a contact preference into the sealed adoption record declining personal contact, any current affidavits requesting confidentiality shall be reinstated;
- (7) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (8) 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1407, 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. 1407, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 1259 Judiciary and Labor on H.B. No. 1532**

The purpose and intent of this measure is to require real property tax appellants to first obtain a decision from an administrative body established by county ordinance prior to appealing to the Tax Appeal Court when required to do so by county law.

Your Committee finds that this measure would provide for more timely adjudication of real property tax assessment appeals as the procedures before county boards of review are generally less complicated than court procedures. Each county has at least one board of review, whereas the Judiciary has only one judge hearing tax appeals, and currently trial dates for cases filed in the Tax Appeal Court are scheduled for approximately eighteen months after the date of filing the tax appeal.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1532, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1532, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1260 Judiciary and Labor on H.B. No. 393**

The purpose and intent of this measure is to:

- (1) Amend the driver's license revocation provision to require a maximum license revocation period of up to ten years upon conviction of a driver for manslaughter involving the operation of a vehicle;
- (2) Require the courts to revoke the license of any driver for up to five years upon a conviction of a driver of negligent homicide in the first degree or negligent homicide in the second degree;
- (3) Allow up to two years of imprisonment when a convicted defendant is sentenced to probation for manslaughter; and
- (4) Clarify that probation is an applicable sentence for manslaughter.

Your Committee finds that the measure is intended to provide clarification for the sentencing of those convicted of certain homicide offenses resulting from the operation of a motor vehicle by providing for license revocation periods that are appropriate and justified for those who have been convicted of serious traffic-related fatalities. This measure also clarifies that a court may sentence a defendant convicted of manslaughter to two years of imprisonment as a condition of probation.

Your Committee believes that it is imperative to be clear when sentencing a defendant to particular crimes, especially those that involve the operation of a motor vehicle, particularly while under the influence of drugs or alcohol. The ignition interlock law, which amended chapter 291E, Hawaii Revised Statutes, relating to the use of intoxicants while operating a vehicle, is intended to make Hawaii's roads and communities safer. The device prohibits a person from driving a vehicle equipped with the device from starting the vehicle if the person has more than a miniscule amount of alcohol in the person's system. However, conflicts and confusion about the new law's implementation, including issues relating to a defendant whose license was suspended or revoked or who was sentenced under the old law, create a sentencing problem. Accordingly, your Committee believes that the provisions that create two classes of defendants, those under the old law and those under the new law, should be amended to allow certain defendants to enter the ignition

interlock program. By doing so, your Committee believes that the benefits of the ignition interlock program, safer streets and defendants who are repeatedly reminded not to drink and drive because they must test themselves every time they try to operate their vehicles, should be extended to certain defendants who are subject to the old law.

Your Committee notes that these amendments apply only to certain categories of offenders whose driving privileges were suspended or revoked or who were convicted prior to the enactment of the new ignition interlock provisions. Your Committee finds that these amendments to the ignition interlock procedures will facilitate a smooth transition for certain offenders, including offenders who were convicted under the old law but sentenced under the new ignition interlock law, thereby providing clarification in sentencing and penalties for these offenders.

Your Committee also notes that the Ignition Interlock Task Force and Mothers Against Drunk Driving HAWAII have not taken a position on the amendments proposed by this measure because they have not had the opportunity to consult with legal counsel.

Accordingly, your Committee has amended this measure by:

- (1) Adding a new part II that will allow persons who have had their driving privileges suspended or revoked under certain circumstances to petition the court for an order of eligibility for an ignition interlock permit; and
- (2) Inserting an effective date of July 1, 2050, to allow Mothers Against Drunk Driving HAWAII and the Ignition Interlock Task Force to seek legal counsel.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 393, 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. 393, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 1261      Judiciary and Labor on H.B. No. 879**

The purpose and intent of this measure is to clarify the process by which a homeowners association may foreclose on an outstanding lien by:

- (1) Authorizing a planned community association, a condominium association, or an association of apartment owners to pursue nonjudicial foreclosure for outstanding liens;
- (2) Authorizing an association to acquire a foreclosed unit through credit bidding at public auction;
- (3) Specifying allocation of excess rental income from a foreclosed unit;
- (4) Authorizing a planned community association to resolve disputes involving liens subject to foreclosure through alternative dispute resolution procedures;
- (5) Specifying notice requirements for foreclosure on a lien; and
- (6) Prohibiting foreclosure of a junior lien during the pendency of foreclosure of a mortgage.

Your Committee finds that protection of consumers in the foreclosure process is of paramount importance, particularly in consideration of the sharp increase in the number of foreclosures due to the current economic recession. Your Committee also finds that although the lien foreclosure process is an important tool that associations use to collect amounts that would otherwise be borne by homeowners in the association, the process as it currently exists contains the potential for abuse.

Your Committee has amended this measure by:

- (1) Adding a definition of "owner-occupied" to new sections created in chapters 514A and 514B, Hawaii Revised Statutes;
- (2) Specifying that the nonjudicial foreclosure of a lien by a planned community association or a condominium association subject to chapter 514B, Hawaii Revised Statutes, shall be subject to a single forty-five day stay upon receipt of written request of an owner-occupant;
- (3) Specifying that the board of directors shall reasonably consider a reasonable payment plan proposed by an owner at risk of lien foreclosure subject to certain conditions unless the owner has been delinquent in payment of assessments to the association within the previous twenty-four months;
- (4) Deleting provisions that authorized resolution of disputes involving foreclosure of liens through the alternative dispute resolution process created pursuant to section 514B-161, Hawaii Revised Statutes;
- (5) Deleting provisions specifying the allocation of excess rental income of a foreclosed unit;
- (6) Specifying that foreclosures of an association lien that arises under a declaration filed pursuant to chapter 421J or 514B, Hawaii Revised Statutes, shall not be suspended during the pendency of a mortgage foreclosure pursuant to chapter 667, Hawaii Revised Statutes;
- (7) Specifying that a lien for assessments of a condominium association subject to chapter 514B, Hawaii Revised Statutes, shall not take priority over liens for real property taxes and assessments by a governmental authority;
- (8) Amending section 5 of Act 205, Session Laws of Hawaii 2009, to remove the sunset provision of section 1 of that Act, which amended section 514A-121.5, Hawaii Revised Statutes, and to reenact section 514B-161, Hawaii Revised Statutes, as it read on the day before the effective date of Act 205; and

(9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains some provisions that raise concerns regarding protection for homeowners at risk of or in foreclosure. Your Committee cautions that while this measure merits advancement through the legislative process for purposes of continued discussion, issues of protection for homeowners and access to adequate process must be addressed before this measure is made effective.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 879, 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. 879, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Shimabukuro). Noes, none. Excused, 1 (Slom).

**SCRep. 1262 Judiciary and Labor on H.B. No. 1094**

The purpose and intent of this measure is to amend the State's licensing process and medical requirements for commercial driver's licensing to comply with the Federal Motor Carrier Safety Regulations.

Your Committee finds that the amendments to the existing state laws pertaining to the issuance and maintenance of commercial driver's licenses contained in this measure are necessary for the State to remain compliant with controlling federal law in this area. Your Committee notes that this measure clarifies the Examiner of Drivers' Authority to impose administrative penalties, including the downgrade or revocation of a commercial driver's license, for the licensee's noncompliance with federal documentary requirements or for conviction of certain criminal offenses related to motor vehicle operation. Your Committee further finds that failure to adopt the amendments proposed by this measure will result in noncompliance by the State with federal law and withholding of significant amounts of federal funding to the State for each year that the State remains out of compliance.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1094, 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. 1094, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1263 Judiciary and Labor on H.B. No. 1447**

The purpose and intent of this measure is to amend provisions of the Permitted Transfers in Trust Act governing transfers of property from a transferor to a trustee by means of an irrevocable trust instrument.

Your Committee finds that revisions to certain definitions in the Permitted Transfers in Trust Act are necessary to conform to definitions contained in the Code of Federal Regulations.

Your Committee has amended this measure by:

- (1) Clarifying that the definition of a "permitted trustee" does not include a transferor under the Permitted Transfers in Trust Act;
- (2) Clarifying that a claim under the Permitted Transfers in Trust Act shall be extinguished unless the claim arose before the permitted transfer was made and the action was brought on the latter of the date of the permitted transfer or July 1, 2010, rather than July 1, 2011; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1447, 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. 1447, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1264 Education on Gov. Msg. Nos. 652, 655, 656, and 658**

Recommending that the Senate advise and consent to the nominations of the following:

STATE OF HAWAI'I BOARD OF EDUCATION

G.M. No. 652 KEITH AMEMIYA, for a term to expire 6-30-2012;

G.M. No. 655 CHARLENE CUARESMA, for a term to expire 6-30-2013;

G.M. No. 656 CHERYL KA'UHANE LUPENUI, for a term to expire 6-30-2012; and

G.M. No. 658 NANCY JO-YAMAKAWA BUDD, for a term to expire 6-30-2012.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Keith Amemiya, Charlene Cuaresma, Cheryl Ka'uahane Lupenui, and Nancy Jo-Yamakawa Budd, to possess the requisite qualifications to be nominated to the State of Hawai'i Board of Education.

Your Committee received testimony in support of the nomination of Keith Amemiya from the Governor, Chair of the University of Hawai'i Board of Regents, President of the University of Hawai'i System, Kaneohe Ranch, Executive Director of the University of Hawaii Professional Assembly, Hui for Excellence in Education, Hawaii Education Matters, Hawaii State Teachers Association, Hawaii School Bus Association, and ten individuals.

Mr. Amemiya received his Bachelor of Business Administration degree from the University of Hawaii at Manoa. He received a Juris Doctorate degree from the William S. Richardson School of Law.

Since March 2010, Mr. Amemiya has served as the Executive Administrator and Secretary to the Board of Regents of the University of Hawaii. Prior to his service with the Board of Regents, Mr. Amemiya spent nearly twelve years as the Executive Director of the Hawaii High School Athletic Association (HHSAA). Mr. Amemiya also worked previously as an attorney with the law firms of Paul, Johnson, Park & Niles, and Bays, Deaver, Hiatt, Kawachika & Lezak. As an attorney, Mr. Amemiya specialized in civil litigation, arbitration related to commercial transactions, construction, real estate, wrongful termination, and personal injury.

Mr. Amemiya is extensively involved with for-profit and non-profit boards. Specifically, Mr. Amemiya serves on the Board of Directors of The Learning Coalition, Shane Victorino Foundation, Boy Scouts of America, and Susannah Wesley Community Center. He is also a member of the Department of Education's Advisory Commission on Gender Equity in Athletics and the City and County of Honolulu's Sports Commission.

Mr. Amemiya testified that his work as the Executive Director of HHSAA enabled him to work closely with the Department of Education, including the Superintendent of Education, principals, teachers, coaches, and students.

Mr. Amemiya's short-term goal as a Board of Education member is to examine the Board's current policies and procedures. Mr. Amemiya expressed that the Board's role is to make educational policies and support the Superintendent of Education's execution of those policies. He also noted that the Board of Education must focus on helping the Superintendent obtain the resources necessary to allow the Department of Education to achieve a superior benchmark in public education.

Mr. Amemiya encourages increased cooperation between the Board of Education and the Board of Regents of the University of Hawaii. He sees the goal of the Board of Education and the Board of Regents as one and the same: to create a highly educated and skilled workforce for Hawaii. He is confident that the two entities can work in sync and complement each other in working to meet that shared goal.

Mr. Amemiya believes that public-private partnerships can be a means of addressing the fiscal challenges facing the Department of Education. As Executive Director of HHSAA, Mr. Amemiya headed the Save our Sports Campaign which raised more than \$1,300,000 in outside funding for public school athletic programs in light of state budget cuts. Mr. Amemiya expressed to your Committee that it is necessary for the Board of Education to examine all possible sources of funding, including federal funds, private grants, and funding from private foundations.

Mr. Amemiya's professional and personal experiences have given him a deep appreciation for Hawaii's public school system and an understanding of the challenges and obstacles it faces. His leadership experience will serve him well as a member of the Board of Education.

Your Committee received testimony in support of the nomination of Charlene Cuaresma from the Governor; Kaneohe Ranch; National Federation of Filipino American Associations Region 12; Hawai'i Friends of Civil Rights; UNITE HERE Local 5; The Mestizo Association; ILWU Local 142; Hawaii State Teachers Association; Filipino American Citizens League; Congress of Visayan Organizations; University of Hawaii School of Public Health Alumni Association; Oahu Filipino Community Council; Nursing Advocates and Mentors, Inc.; Guevarra Appraisal Services LLC; Hui for Excellence in Education; Hawaii Education Matters; Hawaii School Bus Association; and forty-one individuals.

Ms. Cuaresma received a Bachelor of Arts degree in Psychology and a Master of Public Health degree from the University of Hawaii at Manoa. She currently serves as the Associate Director of the Graduate Professional Access Program at the University of Hawaii. She serves underrepresented students by linking them to faculty mentors and providing support services to ensure completion of bachelor's, master's, and doctoral degrees. Ms. Cuaresma also serves as the Community Director for the Asian American Network for Cancer Awareness, Research and Training.

Ms. Cuaresma is active in a number of community organizations. She has volunteered her time with the Domestic Violence Action Center Pilipina Rural Project Advisory Council, Filipino Coalition for Solidarity, American Red Cross, and Organ Donor Center of Hawai'i. Ms. Cuaresma is also a recipient of the 2011 Hawai'i Friends of Civil Rights Martin Luther King, Jr. Award based on her long track record of community service and strident support of equality and social justice.

Ms. Cuaresma testified that she believes the role of the Board of Education is to set clear educational policies and to hold the Superintendent of Education accountable for implementation of those policies. She also expressed to your Committee that it is important for the Board to support efforts by the Department of Education to foster relationships with parents, civic groups, community-based organizations, and socially responsible corporations to build greater capacity at all public schools. Ms. Cuaresma strongly believes that partnerships between schools and their communities are critical to making college completion a reality for more of Hawaii's students.

Ms. Cuaresma also supports a policy audit of the Board of Education. She expressed to your Committee that it is important for the Board to look at which policies are working to advance student achievement and which policies are simply not working.

Ms. Cuaresma's nomination to the Board of Education adds a critical link to Hawaii's underrepresented and underserved students and families. She is keenly aware of the social deterrents and disparities that can affect student access to and success in education. Your Committee believes that Ms. Cuaresma will bring energy and passion to her role as a Board of Education member.

Your Committee received testimony in support of the nomination of Cheryl Ka'uhane Lupenui from the Governor, Kaneohe Ranch, Kamehameha Schools, United Aloha Way, KCCA Preschools of Hawai'i, Child & Family Service, Hui for Excellence in Education,

Hawaii Education Matters, Hawaii State Teachers Association, Young Men's Christian Association of Honolulu, Hawaii School Bus Association, and ten individuals.

Ms. Lupenui received a Bachelor of Business Administration degree from the University of Hawaii at Manoa. She then went on to earn a Master of Business Administration degree from Tulane University.

Ms. Lupenui has an extensive background in business administration. She was more recently the President and Chief Executive Officer of the Young Women's Christian Association of Oahu (YWCA) where she was responsible for directing the strategic planning, development, and overall management of an organization with more than \$10,000,000 in assets since 2001. She has been instrumental in raising \$2,200,000 for the new economic and youth programs at the YWCA through private grants. Ms. Lupenui also led the revitalization of the YWCA's community-building strategy in an environment of very limited resources. She has succeeded in creating a more sustainable business model to assist the YWCA accomplish its mission and objectives.

Prior to working at the YWCA, Ms. Lupenui was a small business owner and business development consultant. She hosted and associate-produced "Entrepreneurship", a televised course for the Department of Education which educated high school students on self-employment and business plan writing skills.

Ms. Lupenui has honed her constituency-building and leadership skills through her involvement in a number of community boards and committees. She is a Board member of the Hawai'i Alliance for Non-Profit Organizations, Aloha United Way, Hawaii Tourism Authority, Public Broadcasting Service Hawaii, and the Center for Asian Pacific American Women. She also serves as a committee member of the Kamehameha Schools Trustee Selection Committee.

When asked whether she would like to see more cooperation between the Department of Education and non-profit organizations, Ms. Lupenui responded that she believes public-private partnerships are critical to providing educational wrap-around services to Hawaii's students in light of the State's fiscal situation. Through her work at the YWCA, Ms. Lupenui has personal experience in how the involvement of non-profits in education can bolster individual student achievement.

Ms. Lupenui's business acumen and passion for community service will make her a great asset to the Board of Education and will help to invigorate Hawaii's public school system.

Your Committee received testimony in support of the nomination of Nancy Jo-Yamakawa Budd from the Governor; a member of the Kaua'i County Council; Kaneohe Ranch; Hawaii State Teachers Association; Garden Island Arts Council; Deja Vu Surf Hawaii; Kapa'a Family Physicians; Kauai Independent Daycare Services, Inc.; Hui for Excellence in Education; Hawaii Education Matters; Hawaii School Bus Association; and nineteen individuals.

Ms. Budd received her Bachelor of Arts degree from California State University, Chico. She received her Juris Doctorate degree from the University of California, Davis. Ms. Budd is currently an attorney on Kauai and has been in practice since 1980. She currently has her own law firm, concentrating on estate planning, estate and trust administration, elder law, real estate, business, and charitable planning. From 1982 to 1987, Ms. Budd was the managing attorney of Legal Aid Society of Hawaii's Kauai office.

Ms. Budd founded the King Kaumuali'i Elementary School Parent Teacher Student Association and Kauai District Parent Teacher Student Association. Ms. Budd continues to give back to the educational community, having volunteered as a third grade tutor at Wilcox Elementary School for the past thirteen years.

Ms. Budd believes the role of the Board of Education is to develop and promote a coherent educational policy for the State's public school system. Ms. Budd testified that it is important that the Board clarify the lines of accountability between the Board and Department of Education.

When asked by your Committee what role she feels parent teacher organizations play in education, Ms. Budd responded that these organizations are critical to the success of schools and are the key to fostering public-private partnerships that help increase the level of communication within communities.

Ms. Budd has devoted many years to the support and improvement of the State's educational system. Her dedication and commitment to education will make her an invaluable asset to the Board of Education.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 1265 Education on Gov. Msg. Nos. 651, 653, 654, 657, and 659**

Recommending that the Senate advise and consent to the nominations of the following:

STATE OF HAWAII BOARD OF EDUCATION

- G.M. No. 651 DONALD G. HORNER, for a term to expire 6-30-2014;
- G.M. No. 653 KIMBERLY GENNAULA HAGI, for a term to expire 6-30-2013;
- G.M. No. 654 BRIAN J. DE LIMA, for a term to expire 6-30-2013;
- G.M. No. 657 JAMES D. WILLIAMS, for a term to expire 6-30-2014; and
- G.M. No. 659 WESLEY P. LO, for a term to expire 6-30-2014.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Donald G. Horner, Kimberly Gennaula Hagi, Brian J. De Lima, James D. Williams, and Wesley P. Lo, to possess the requisite qualifications to be nominated to the State of Hawaii Board of Education.

Your Committee received testimony in support of the nomination of Donald G. Horner from the Governor, Hawaii State Teachers Association, Hawaii Business Roundtable, Kaneohe Ranch, Hui for Excellence in Education, Hawaii Education Matters, and four individuals.

Mr. Horner received his undergraduate degree in business from the University of North Carolina. He went on to receive his Master of Business Administration degree from the University of Southern California and is an honors graduate of the Pacific Coast Banking School at the University of Washington. From 1972 to 1976, Mr. Horner served in the United States Navy, obtaining the rank of Lieutenant Commander.

Mr. Horner is currently the Chairman and Chief Executive Officer of First Hawaiian Bank. He joined First Hawaiian Bank as a Credit Analyst in 1978.

Mr. Horner serves on various boards, including serving as the Board Chair of the First Hawaiian Bank Foundation, Board member and Treasurer of Iolani School, and Board member Emeritus of Mid-Pacific Institute. He is the former Chair of the Governor's Economic Momentum Commission, Young Presidents' Organization of Hawaii, Hawaii Business Roundtable, and Hawaii Bankers Association.

Mr. Horner served on the State's Reinventing Government Task Force, which was established to examine the current operations and organization of state government and make recommendations on making state government more efficient.

Most notably with regard to education, Mr. Horner served as Vice Chair of the Department of Education's Interagency Working Group established under Act 51, Session Laws of Hawaii 2004. As part of the Working Group, Mr. Horner was instrumental in implementing important educational legislation and served on the Superintendent's Advisory Council.

Mr. Horner expressed to your Committee that as Chairperson of the Board of Education, he intends to hit the ground running. Mr. Horner's short-term goal is to review and amend the Board's by-laws and policies. Mr. Horner supports conducting a policy audit of the Board as a necessary tool to validate and verify whether proper policies are in place and being adhered to.

Mr. Horner's long-term goal as Chairperson of the Board of Education is to build an accurate set of metrics in order to better hold the Department of Education responsible for student achievement and fiscal accountability. Mr. Horner testified that given his business background, he appreciates the significance and serious fiduciary responsibilities of the Board of Education in serving the State's approximately 178,000 public school students.

Mr. Horner also expressed to your Committee that his professional background has given him an insight into strategic planning and personnel management. Mr. Horner hopes, through the Superintendent of Education, to challenge Department of Education employees to be creative and flexible and to identify and embrace new methods of working smarter.

Mr. Horner's value of education and strong financial and managerial expertise will be invaluable assets to the Board of Education. Mr. Horner's background provides him with the skills and experiences necessary to oversee an organization as complex and large as Hawaii's public school system.

Your Committee received testimony in support of the nomination of Kimberly Gennaula Hagi from the Governor, Kamehameha Schools, Hawaii State Teachers Association, Hawai'i Pacific Health, Hui for Excellence in Education, Hawaii Education Matters, Healthcare Association of Hawaii, Kaneohe Ranch, Pacific Rim Christian College, and thirty-three individuals.

Your Committee finds that Kimberly Gennaula Hagi received a Bachelor of Journalism degree from the University of Texas at Austin. Ms. Hagi is currently the Philanthropy Director of Kapiolani Health Foundation where she is responsible for prospecting, cultivating, soliciting, and stewarding donors for the Kapiolani Medical Center's operations, capital campaign, and hospital programs.

Prior to working for Kapiolani Health Foundation, Ms. Hagi was a news anchor and senior newsroom manager for KGMB-TV. She received numerous awards for her reporting.

Ms. Hagi has two young children who attend Hokulani Elementary and she has been very active in volunteering her time there. She has also served on the Superintendent's Advisory Council and has been actively involved in The Learning Coalition.

Ms. Hagi testified that she supports a policy audit of the Board of Education to find ways to streamline the efforts of the Board and give greater authority to the Department of Education.

Ms. Hagi also testified that she will use the skills she acquired as a news anchor and communications director to help foster and restore public confidence in public education. She expressed to your Committee her desire that the Board of Education make use of social media to improve communication with the public and engage Hawaii's families, teachers, and students.

Ms. Hagi's experience as the Philanthropic Director at Kapiolani Health Foundation provides her with a unique perspective on the possibility of forging public-private partnerships to bolster Hawaii's public schools. Ms. Hagi testified that she supports private-public partnerships in public schools and will encourage the Board of Education to think outside of the box on this issue.

Ms. Hagi's energy and passion for public education will serve the Board of Education well.

Your Committee received testimony in support of the nomination of Brian J. De Lima from the Governor; Mayor of the County of Hawai'i; two members of the Hawai'i County Council; Director of the Department of Liquor Control for the County of Hawai'i; Managing Director of the Department of Liquor Control for the County of Hawai'i; Office of the Corporation Counsel of the County of Hawai'i; International Union of Painters and Allied Trades, District Council 50; ILWU Local 142; Hawaii State Teachers Association; United Public Workers, AFSCME, Local 646 AFL-CIO; Kaneohe Ranch; Hui for Excellence in Education; Hawaii Education Matters; and 43 individuals.

Brian J. De Lima is a graduate of Hilo High School and served as the Board of Education's first student member in 1972. He then went on to receive his undergraduate degree from the University of Massachusetts at Amherst and his Juris Doctorate degree from the William S. Richardson School of Law at the University of Hawaii at Manoa.

Mr. De Lima is an experienced trial attorney and a partner at the law firm of Crudele & De Lima. He served for nearly a decade as the private bar attorney for the Legal Aid Society of Hawaii in Hilo. Mr. De Lima continues to provide pro bono legal services for family law clients and participates in the Hawaii Lawyers Care Family Law Clinic. Mr. De Lima has been recognized and honored as having the highest number of pro bono hours among attorneys in Hilo.

Mr. De Lima also served three terms as a member of the Hawai'i County Council and has extensive knowledge in planning, land use development, public works, and government financing.

Mr. De Lima is a parent of a special needs child. As such, he is familiar and has been involved with the Individualized Education Program process within the public school system. Mr. De Lima expressed to your Committee that while being the parent of a special needs child provides him with a broader perspective, he does not see his role on the Board as that of an advocate for any one group. Mr. De Lima stated that he will look at the big picture in doing what is best for Hawaii's education system.

One of Mr. De Lima's goals for the Board of Education is to continue the movement toward the decentralization of the Department of Education. Mr. De Lima expressed that the Board's role is to support the Superintendent of Education in holding principals and teachers accountable. Mr. De Lima believes that this will result in greater student achievement.

Mr. De Lima also expressed that he hopes that the Board will streamline its own policies to work more efficiently and effectively in how it governs the State's education system.

When asked whether he believes that the Board of Education should re-examine its relationship with charter schools, Mr. De Lima responded that he is open to looking into that area. Mr. De Lima stated that while he believes parents should be afforded the freedom to choose between public schools and charter schools, charter schools must be held accountable for the public funds they receive.

Mr. De Lima's professional background and involvement in the community provide him with the skills and insight necessary to be an effective member of the Board of Education.

Your Committee received testimony in support of the nomination of James D. Williams from United States Representative Colleen Hanabusa; the Governor; Hawaii State Teachers Association; Hui for Excellence in Education; Hawaii Education Matters; Hawaii Academy of Arts and Science Public Charter School; Hawaii Charter Schools Network; Quality School Network; Voyager Public Charter School; Executive Director of the University of Hawaii Professional Assembly; Kaneohe Ranch; and seventeen individuals.

James D. Williams received his Bachelor of Arts degree from Drake University. From January 2010 to May 2010, Mr. Williams served as the Interim Executive Director of the Hawaii State Teachers Association where he was responsible for, among other things, directing collective bargaining contract negotiations for Hawaii's public school teachers.

From 2004 to 2009, Mr. Williams was the Administrator and Chief Executive Officer of the Hawaii Employer-Union Health Benefits Trust Fund, where he was responsible for administering benefits for approximately 180,000 state employees, retirees, and dependents.

In 1994, Mr. Williams founded the Royal State Learning Foundation (formerly Royal State Trust), a non-profit foundation focused on the transformation of Hawaii's education system. Mr. Williams also founded Voyager Public Charter School in Honolulu. He has experience dealing with all aspects of school administration, including facilities and financial needs. Mr. Williams has served as the Chair of the Voyager Charter School Local School Board and is currently the Board's Vice Chair. He is also the Chair of the Board of the Voyager School Foundation.

Mr. Williams also spent eleven years as a Social Studies teacher at Kaunakakai School and Molokai High and Intermediate School.

Mr. Williams testified that while the Board of Education is accountable to the Governor, the Board is an independent entity whose job is to create policy and develop a long-term strategic plan for public education in the State. Mr. Williams expressed that his long-term goal as a Board of Education member is to revamp high school programs to focus on better preparing students for post-secondary activities, including college, apprenticeship programs, and other vocational options.

When asked whether he would support a more formal relationship between the Board of Education and charter schools, Mr. Williams replied that he was open to exploring the issue.

Mr. Williams brings a unique and varied background in education, administration, and business to the Board of Education.

Your Committee received testimony in support of the nomination of Wesley P. Lo from United States Representative Colleen Hanabusa; the Governor; Director of Finance; Mayor of Maui County; a member of the Maui County Council; Hawaii State Teachers Association; Healthcare Association of Hawaii; Maui Economic Development Board, Inc.; Hui for Excellence in Education; Hawaii Education Matters; Kaneohe Ranch; and six individuals.

Wesley P. Lo received his Bachelor of Arts degree in Business Administration from the University of Colorado. Mr. Lo currently serves as the Regional Chief Executive Officer of the Maui Region of the Hawaii Health Systems Corporation. As Regional Chief Executive Officer, Mr. Lo is responsible for the overall performance of Maui Memorial Medical Center, Kula Hospital, and Lanai Community Hospital. Prior to this, Mr. Lo was the Chief Financial Officer for Maui Memorial Medical Center and Maui Radiology Consultants.

Mr. Lo is also the former Director of Finance for the County of Maui and was responsible for the financial reporting and performance of a total annual budget of \$268,000,000. As Director of Finance, Mr. Lo was also responsible for Maui County's investments and strategic planning. Mr. Lo was also heavily involved in various collective bargaining issues including labor negotiations.

Mr. Lo has a strong financial background in public and private industry and an intricate understanding of public financing and bonds. Mr. Lo also has experience with procurement and understands the need for flexibility and accountability when using public funds.

Mr. Lo testified that he believes the role of the Board of Education is to make policy and not be involved in the day-to-day operations of the Department of Education. Mr. Lo expressed that the Board's role is to support the Superintendent of Education in achieving the goals and objectives set by the Board, as well as monitoring and holding the Superintendent accountable.

Mr. Lo's long-term goal as a member of the Board of Education is to determine the appropriate governance structure for the Department of Education to ensure that education is an integral part of each community and that schools are given the appropriate tools to optimize student potential.

Mr. Lo will bring a wealth of financial experience and expertise to his role as a member of the Board of Education.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1266 Commerce and Consumer Protection on Gov. Msg. Nos. 580 and 581**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 580 CANDACE WADA, for a term to expire 6-30-2015; and

G.M. No. 581 MARILYN R. NONAKA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal statements and resumes submitted by the nominees and finds Candace Wada and Marilyn R. Nonaka to possess the requisite qualifications to be nominated to the Board of Dental Examiners.

Your Committee received testimony in support of the nomination of Candace Wada from the Board of Dental Examiners and Hawaii Dental Hygienists' Association.

Upon review of the testimony, your Committee finds that this nominee has been a practicing dentist for almost three decades. During that time, this nominee has been a leader in her profession through service with the California Dental Association and Hawaii Dental Association. This nominee has represented the Honolulu dentistry community as a Trustee of the Hawaii Dental Association and as a Delegate to the Hawaii Dental Association House of Delegates. This nominee has been particularly engaged in maintaining high standards within her profession as a member of the Hawaii Dental Association's Continuing Education Committee. Your Committee further finds that this nominee has served as an interim member of the Board of Dental Examiners in a diligent and thoughtful manner, actively participating in discussions and offering insightful viewpoints gained from experience as a private practitioner and a leader in the profession of dentistry. Your Committee notes that this nominee plans to expand upon her contribution to the Board of Dental Examiners by becoming an examiner for dentists seeking licensure. Your Committee finds that this nominee's practical knowledge, demonstrated leadership, and enthusiasm for serving her profession will be an asset to the Board of Dental Examiners.

Your Committee received testimony in support of the nomination of Marilyn R. Nonaka from the Board of Dental Examiners and Hawaii Dental Hygienists' Association.

Upon review of the testimony, your Committee finds that this nominee has been a practicing dental hygienist for nearly twenty-five years and has worked in a variety of positions and settings including private dental practices, clinical instruction, and risk-management consulting for an insurer. Your Committee further finds that this nominee's breadth of experience gives her first-hand insight into multiple aspects of the practice of dentistry and dental hygiene. Your Committee also finds that this nominee has demonstrated leadership within her profession through service in positions including Trustee, Vice President, President of the Hawaii Dental Hygienists' Association, and a Board examiner for dental hygienists seeking licensure. Your Committee finds that this nominee's specific experience as Chair of the Hawaii Dental Hygienists' Association Regulation and Practice Committee and as a consultant to the State's Regulated Industries Complaints Office Dental Advisory Committee has allowed her to develop particular expertise in the area of professional regulation. Your Committee notes that this nominee's commitment and service to her profession have been duly recognized by her peers: she was named the Hawaii Dental Hygienists' Association's Outstanding Member in 1999 and Most Dedicated Member in 2001. Further, your Committee finds that in her capacity as an interim appointee to the Board of Dental Examiners, this nominee has been a well-prepared and active contributor. Your Committee finds that this nominee's broad experience and commitment to public service will serve the Board and the public well.

Your Committee finds that Candace Wada and Marilyn R. Nonaka have been nominated to the Board of Dental Examiners based on their knowledge, experience, and commitment to public service.

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 (Galuteria, Green, Solomon).



**SCRep. 1267 Commerce and Consumer Protection on Gov. Msg. Nos. 600 and 601**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 600 GAYLE CHANG, for a term to expire 6-30-2015; and

G.M. No. 601 KEVIN K. LUI, for a term to expire 6-30-2015.

Your Committee has reviewed the resume submitted by Gayle Chang and the personal statement and curriculum vitae submitted by Kevin K. Lui and finds the nominees to possess the requisite qualifications to be nominated and nominated for reappointment to the Board of Examiners in Optometry, respectively.

Your Committee received testimony in support of the nomination of Gayle Chang from the Board of Examiners in Optometry.

Upon review of the testimony, your Committee finds that this nominee has been a licensed professional in a regulated field for more than thirty-five years. Your Committee further finds that this nominee has demonstrated leadership within her chosen profession, serving in elected and appointed positions within the American Dental Hygienists' Association and elected positions including Vice President, Treasurer, and President of the Hawaii Dental Hygienists' Association. In addition, this nominee has developed expertise with professional regulation and licensing through service as a member and Chair of the Dental Hygiene Examination Committee of the American Board of Dental Examiners and as a dental hygiene examiner with the Central Regional Dental Testing Service and Northeast Regional Board. Your Committee notes that this nominee has additional experience with the State's regulatory structures through eight years of service on the Board of Dental Examiners, including four years of service as its Vice Chair. Your Committee finds that because of this nominee's long record of service to her profession and community and her first-hand experience with the State's regulatory system, this nominee is very well-qualified to serve as a public member of the Board of Examiners in Optometry.

Your Committee received testimony in support of the nomination of Kevin K. Lui from the Board of Examiners in Optometry and Hawaii Optometric Association.

Upon review of the testimony, your Committee finds that this nominee for reappointment to the Board of Optometric Examiners has practiced as a licensed optometrist for more than twenty-five years. Throughout his career, this nominee has been an active participant in the governance and maintenance of high standards in his profession through holding leadership positions in the Hawaii Optometric Association continuously for more than twenty years and serving as a member of private and public bodies related to the practice of optometry. Your Committee also finds that this nominee has been recognized by his peers and the community for excellence in his profession: he was named Optometrist of the Year by the Hawaii Optometric Association in 1999 and received The Honolulu Advertiser People's Choice Award for Best Optometrist in 2007 and 2008. Your Committee notes that in addition to serving as a member of the Board of Examiners in Optometry since 2007, this nominee has also served the public through membership on the Hawaii State Department of Transportation Medical Advisory Board, Hawaii Regulated Industries Complaints Office Advisory Committee for Optometry, and Medicare Carrier Advisory Committee. Your Committee finds that this nominee's demonstrated commitment to public service, extensive engagement with the public regulatory process, and professional accomplishments qualify him for reappointment to the Board of Examiners in Optometry.

Your Committee finds that Gayle Chang has been nominated for appointment and Kevin K. Lui has been nominated for reappointment to the Board of Examiners in Optometry based on their knowledge, experience, and commitment to public service.

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 (Slom).

**SCRep. 1268 Commerce and Consumer Protection on Gov. Msg. Nos. 582 and 583**

Recommending that the Senate advise and consent to the nominations of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 582 MARC K.M. YAMANE, for a term to expire 6-30-2015; and

G.M. No. 583 LAWRENCE T. MORINAGA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal statements and resumes submitted by the nominees and finds that Marc K.M. Yamane is qualified for reappointment and Lawrence T. Morinaga is qualified for appointment to the Elevator Mechanics Licensing Board.

Your Committee received testimony in support of the nomination of Marc K.M. Yamane from the Elevator Mechanics Licensing Board.

Upon review of the testimony, your Committee finds that this nominee has sixteen years of experience as a licensed elevator mechanic, including service as an instructor at Honolulu Community College in the Elevator Mechanic Apprenticeship Program. Your Committee also finds that this nominee has demonstrated leadership within his profession through service in the positions of Trustee, Recording Secretary, member of the Executive Board, and Vice President of the International Union of Elevator Constructors, Local 126. Your Committee notes that this nominee for reappointment has served exceptionally in his first term. Specifically, Mr. Yamane has played a pivotal role in evaluating issues objectively while balancing fairly the needs of consumers and the industry. Your Committee believes that Mr. Yamane has a clear vision for maintaining high standards within the industry by strengthening educational requirements for apprentices and licensees and ensuring that regulations reflect developments in current technology. Your

Committee further finds that this nominee's experience and leadership within the industry and his familiarity with the State's regulatory structures qualify him for reappointment to the Elevator Mechanics Licensing Board.

Your Committee received testimony in support of the nomination of Lawrence T. Morinaga from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that this nominee has over twenty years of experience in many aspects of the elevator construction and maintenance trade. Your Committee notes that this nominee has worked in positions including installer, adjuster, foreman, instructor, and inspector and has worked with equipment including traction elevators, hydraulic elevators, escalators, moving-walks, dumbwaiters, stage lifts, and material lifts. Your Committee finds that this nominee's uniquely broad experience and pursuit of continuing education as a student and instructor with the National Elevator Industry Education Program have allowed him to develop expertise in first-hand practice within the industry and with applicable regulations. Finally, your Committee finds that this nominee's broad industry knowledge and enthusiasm for service qualify him for appointment to the Elevator Mechanics Licensing Board.

Your Committee finds that Marc K.M. Yamane has been nominated for reappointment and Lawrence T. Morinaga has been nominated for appointment to the Elevator Mechanics Licensing Board based on their knowledge, experience, and commitment to public service.

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 (Slom).

**SCRep. 1269 Transportation and International Affairs on Gov. Msg. No. 646**

Recommending that the Senate advise and consent to the nominations of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 646 CHAD K. TANIGUCHI, for a term to expire 6-30-2015.

Your Committee received testimony in support of the nominee from the State Department of Transportation, Maui Bicycle Alliance, ILWU Local 142, Hawaii Laborers-Employers Cooperation and Education Trust, and two individuals.

Chad K. Taniguchi received a Bachelor of Arts degree in Liberal Studies from the University of Hawai'i at Manoa, and a Juris Doctor degree from the William S. Richardson School of Law at the University of Hawai'i at Manoa. Mr. Taniguchi has experience in a variety of positions involving the public and private sectors, including Executive Director of the Hawaii Public Housing Authority; Bills Chief of the Senate Committee on Ways and Means; Analyst with the Office of the Auditor; Interim Dean of Communications and Services Programs at Honolulu Community College; Director of Workforce Development of the University of Hawai'i Community Colleges; Homestead District Supervisor and Special Assistant for Housing at the Department of Hawaiian Home Lands in Lihue, Kauai; Housing Administrator of the Kauai County Housing Agency; Attorney at Paul Johnson, Alston & Hunt; Researcher at the East-West Center, Environmental and Policy Institute; and Principal Investigator of the Ethnic Studies Oral History Project at the University of Hawai'i at Manoa.

Mr. Taniguchi is currently the Executive Director of the Hawaii Bicycling League, which encourages people to ride bicycles for health, recreation, and transportation through advocacy, education, and events. The Hawaii Bicycling League is a 35-year-old 501(c)(3) non-profit organization and has as one of its missions the improvement of highway safety for bicyclists based on the belief that everyone has a right to be safe on Hawai'i's roads. As the Executive Director of the Hawaii Bicycling League, the nominee has been involved with the safe walking and bicycling for transportation and fitness program, pedestrian and bicycle friendly community program, and advising the Department of Transportation on highway shoulder maintenance. He is a daily bicycle commuter between Honolulu and Kailua.

Your Committee notes from Mr. Taniguchi's personal statement that he is able to find common areas of unity among diverse organizations, such as bus, trucking and car companies; police departments; environmental organizations; transportation and health professionals; and advocacy and victim organizations. He is committed to achieving bicycle and pedestrian-friendly communities. His vision is for representatives of all roadway users to understand the law of the splintered paddle, mamala-hoe kanawai (Article IX, section 10, Hawaii State Constitution), to let every elderly person, woman, and child lie by the roadside in safety, as a unique and living symbol of the State's concern for public safety. To this end, the nominee appreciates the need to provide engineering, education, enforcement, and evaluation resources so that everyone can realize the right to be safe on Hawai'i's roads. Even pedestrians should be able to use the roads without fear of injury.

Your Committee believes that the nominee would be an excellent resource to the State Highway Transportation Council, given his experience as the Executive Director of the Hawaii Bicycling League and commitment to improving the lives of Hawai'i's residents.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1270 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 64**

The purpose and intent of this measure is to request the Department of Public Safety to plan and implement an earned time program for committed persons who are serving time for a non-violent drug offense and who have successfully completed a residential drug abuse program. This measure further requests the Department to develop, establish, and implement certain standards and procedures for the earned time program.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons, the Drug Policy Forum of Hawai'i, National Association of Reformed Criminals, and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Paroling Authority and one individual. Your Committee received comments on this measure from the Department of Public Safety.

Your Committee finds that many correctional jurisdictions in the United States use an incentive system that rewards inmates for positive behavior, commonly known as credit for good time served. An earned time program provides for release on parole before the expiration of an inmate's minimum term upon demonstration of progress toward rehabilitation in certain categories. An earned time program is necessary for inmates to have a sense of accomplishment and achievement, both of which are critical to successful rehabilitation and re-entry into the community.

Your Committee has amended this measure by:

- (1) Amending various references for accuracy and clarity;
- (2) Requesting the Department of Public Safety to:
  - (A) Review statutory provisions relating to sentences of imprisonment and mandatory imprisonment sentences;
  - (B) Include in its plan for the earned time program those committed persons who have been sentenced for longer than one year and who have successfully completed the recommended programming while incarcerated;
  - (C) Describe its progress in implementing an earned time program in its Re-Entry Master Plan; and
  - (D) Make recommendations to the Legislature on suggested legislation to enable a good time program to be implemented;
- (3) Deleting the reference to posting in the correctional facility the Department's standards and procedures for the earned time program; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 64, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1271 Public Safety, Government Operations, and Military Affairs on S.R. No. 37**

The purpose and intent of this measure is to request the Department of Public Safety to plan and implement an earned time program for committed persons who are serving time for a non-violent drug offense and who have successfully completed a residential drug abuse program. This measure further requests the Department to develop, establish, and implement certain standards and procedures for the earned time program.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons, the Drug Policy Forum of Hawai'i, National Association of Reformed Criminals, and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Paroling Authority and one individual. Your Committee received comments on this measure from the Department of Public Safety.

Your Committee finds that many correctional jurisdictions in the United States use an incentive system that rewards inmates for positive behavior, commonly known as credit for good time served. An earned time program provides for release on parole before the expiration of an inmate's minimum term upon demonstration of progress toward rehabilitation in certain categories. An earned time program is necessary for inmates to have a sense of accomplishment and achievement, both of which are critical to successful rehabilitation and re-entry into the community.

Your Committee has amended this measure by:

- (1) Amending various references for accuracy and clarity;
- (2) Requesting the Department of Public Safety to:
  - (A) Review statutory provisions relating to sentences of imprisonment and mandatory imprisonment sentences;
  - (B) Include in its plan for the earned time program those committed persons who have been sentenced for longer than one year and who have successfully completed the recommended programming while incarcerated;
  - (C) Describe its progress in implementing an earned time program in its Re-Entry Master Plan; and
  - (D) Make recommendations to the Legislature on suggested legislation to enable a good time program to be implemented;
- (3) Deleting the reference to posting in the correctional facility the Department's standards and procedures for the earned time program; and

- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1272 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 175**

The purpose and intent of this measure is to request the Governor to proclaim March 30, 2011, as "Welcome Home Vietnam Veterans Day".

Your Committee received testimony in support of this measure from the State of Hawaii Office of Veterans Services, Veterans of Foreign Wars of the United States, and seven individuals.

Your Committee finds that in recognition of the sacrifice and hardship of our Vietnam veterans, the United States Senate on March 8, 2011, declared March 30 as "Welcome Home Vietnam Veterans Day" to encourage Americans to give those veterans a long overdue, warm welcome home. The courage and dedication of Hawaii's troops in the Vietnam War was no less than their fellow Hawaii military personnel in uniform in other conflicts, and is equally deserving of our honor, gratitude, and support.

Your Committee has amended this measure by:

- (1) Inserting language stating that by April 30, 1973, all Americans, including military and civilians, had departed from South Vietnam; and
- (2) Amending the designated date and name of the observance to April 30, 2011, as "Vietnam Veterans Appreciation Day" and changing the title of this measure accordingly.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 175, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 175, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1273 Public Safety, Government Operations, and Military Affairs on S.R. No. 111**

The purpose and intent of this measure is to request the Governor to proclaim March 30, 2011, as "Welcome Home Vietnam Veterans Day".

Your Committee received testimony in support of this measure from the State of Hawaii Office of Veterans Services, Veterans of Foreign Wars of the United States, and seven individuals.

Your Committee finds that in recognition of the sacrifice and hardship of our Vietnam veterans, the United States Senate on March 8, 2011, declared March 30 as "Welcome Home Vietnam Veterans Day" to encourage Americans to give those veterans a long overdue, warm welcome home. The courage and dedication of Hawaii's troops in the Vietnam War was no less than their fellow Hawaii military personnel in uniform in other conflicts, and is equally deserving of our honor, gratitude, and support.

Your Committee has amended this measure by:

- (1) Inserting language stating that by April 30, 1973, all Americans, including military and civilians, had departed from South Vietnam; and
- (2) Amending the designated date and name of the observance to April 30, 2011, as "Vietnam Veterans Appreciation Day" and changing the title of this measure accordingly.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 111, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 111, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1274 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 171**

The purpose and intent of this measure is to urge the Governor to withdraw certain Executive Orders, thereby returning public land that is unused or underused to the public lands inventory of the Department of Land and Natural Resources.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources. Your Committees received testimony in opposition to this measure from the Department of Transportation.

Your Committees acknowledge that portions of the public land in the areas identified in this measure are being put to productive uses. However, the vast majority of the public land in the areas identified in this measure are unused or underused and should be made available to other agencies.

At the public hearing on this measure, the Department of Land and Natural Resources presented testimony that identified five additional Executive Orders setting aside public land to state agencies that are not being used or are being under utilized for the specified purposes.

Your Committees have amended this measure by:

- (1) Adopting the suggested amendments of the Department of Land and Natural Resources, which request the Governor to withdraw five additional Executive Orders setting aside public land to state agencies and return public land subject to those Executive Orders to the Department; and
- (2) 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 Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs 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 its adoption in the form attached hereto as S.C.R. No. 171, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Baker, Fukunaga).

**SCRep. 1275 Water, Land, and Housing on S.C.R. No. 117**

The purpose and intent of this measure is to expedite the revision and implementation of the Koke'e State Park Master Plan.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that nearly three years have passed since the creation of the Koke'e State Park Advisory Council. This council is charged with, among other things, revising and assisting in the implementation of the Koke'e State Park Master Plan, yet the revision remains incomplete, delaying the implementation of assessments and user-fees that may facilitate much-needed park maintenance and enhance the public's enjoyment of the park.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 117, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tokuda).

**SCRep. 1276 Energy and Environment on Gov. Msg. Nos. 547, 548, 550, 573, 609, 610, and 638**

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL

- G.M. No. 547 DAVID ATKIN, for a term to expire 6-30-2015;
- G.M. No. 548 SCOTT GLENN, for a term to expire 6-30-2015;
- G.M. No. 550 MARY STEINER, for a term to expire 6-30-2015;
- G.M. No. 573 MARJORIE F.Y. ZIEGLER, for a term to expire 6-30-2015;
- G.M. No. 609 MALIA AKUTAGAWA, for a term to expire 6-30-2014;
- G.M. No. 610 SHANNON D. MEARS, for a term to expire 6-30-2014; and
- G.M. No. 638 IRIS TERASHIMA, for a term to expire 6-30-2014.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds David Atkin, Scott Glenn, Mary Steiner, Marjorie F. Y. Ziegler, Malia Akutagawa, Shannon D. Mears, and Iris Terashima, to possess the requisite qualifications to be nominated to the Environmental Council.

Your Committee received testimony in support of the nomination of David Atkin from Gary Hooser, Office of Environmental Quality Control; Representative Mark Takai; Robert Harris, Sierra Club, Hawai'i Chapter; John Williamson; Susan Killen; Alan Pollock; Dawn Chang; Reshawn Fields; Scott Glenn; William Anonsen; Alan Fujimori; Pam Burns; Amy Zaref; and Denise Antolini.

Dr. Atkin received his Bachelor of Science degree from Stanford University and his Doctor of Philosophy degree in Biology from Princeton University. Dr. Atkin is currently a Certified Senior Project Manager, Senior Professional Associate, and Senior Supervising Environmental Planner at Parsons Brinckerhoff, as well as a lecturer for the University of Hawaii at Manoa's Department of Urban and Regional Planning. He has thirty-one years of environmental planning experience in the public and private sectors in fields including transit, telecommunications, renewable energy facilities, and marine facilities. Dr. Atkin has been involved in projects in the United States, Guam, Taiwan, Thailand, Saudi Arabia, Singapore, Mexico, Chile, Italy, Portugal, and Malaysia.

Dr. Atkin currently serves on the Environmental Council as the chair of the Standing Committee on Exemption Lists. In response to your Committee's written question regarding why he wishes to be a member of the Council, Dr. Atkin expressed his interest in continuing to work through the current backlog of exemption lists and his desire to work with others to reinvigorate the Council's role in rulemaking. During the hearing, Dr. Atkin commented that the rules committee should work on "reader-friendly documents" that rely less on encyclopedic chronicling and focus more on real issues and discussion. When asked about possible conflicts of interest

and how he would overcome them should any arise, Dr. Atkin responded that his employer has contracts with government agencies that are required to meet environmental requirements and that should a matter arise that directly affects one of his company's clients, he would first get advice from an attorney at the Hawaii State Ethics Commission and also review the ethics policies of his employer. He stated that if there was an appearance of impropriety he would declare his conflict and recuse himself, pointing out that this has happened once in the past. He also pointed out that he is married to Mary Steiner who is also a member of, and nominee to, the Environmental Council. He does not see their marriage as leading to a conflict of interest as he states that they have their own independent views.

Dr. Atkin's wealth of professional experience in the field of planning in addition to his experience on the Environmental Council provide him with an ideal skill set for continued service on the Council.

Your Committee received testimony in support of the nomination of Scott Glenn from Gary Hooser, Office of Environmental Quality Control; The Nature Conservancy; Robert Harris, Sierra Club, Hawai'i Chapter; Mary Alice Evans; Denise Antolini; Lee Sichter; George Krasnick; Peter Rappa; Paul Luersen; Cheryl Soon; David Atkin; David Henkin; Mary Steiner; and Wayne Tanaka.

Mr. Glenn received his Bachelor's degree from the University of Evansville in Evansville, Indiana and his Master's degree in Urban and Regional Planning from the University of Hawaii at Manoa. Mr. Glenn is a member of the Hawai'i Chapter of the American Planning Association and the International Association for Impact Assessment. He has been a contractor to the Center for Island Climate Adaptation and Policy and to the University of Hawaii Sea Grant College Program, as well as a subcontractor for the Lighthouse Consulting Group on a project for the National Oceanic and Atmospheric Administration.

Mr. Glenn is currently a consultant for TEC, Inc. as well as a public citizen volunteer to the Environmental Council. When asked by your Committee why he wished to be a member of the Environmental Council, Mr. Glenn stated that the Council has a critical role in Hawaii's environmental review process and that the Environmental Impact Statement Rules, which the Council is tasked with making, repealing, or amending, have not been updated since 1996. He expressed his intention to modernize the rules to reflect changes in the Hawaii Revised Statutes and common practice and to address twenty-first century challenges such as sustainable development.

Mr. Glenn's experience in the field of environmental planning and his work with the Council make him an ideal candidate for Council membership.

Your Committee received testimony in support of the nomination of Mary Steiner from Gary Hooser, Office of Environmental Quality Control; Donna Wong, Hawaii's Thousand Friends; Robert Harris, Sierra Club, Hawai'i Chapter; Carol Kwan; Laura Thompson; Carin Lim; Denise Soderholm; Scott Glenn; Bob Loy; and Denise Antolini.

Ms. Steiner earned her Bachelor of Arts degree from the Richard Stockton College of New Jersey and a Certificado Estudios Hispanicos from the University of Madrid. She has served on the Honolulu County Arborist Advisory Committee and as a National Board Representative for the American Civil Liberties Union of Hawaii.

Ms. Steiner is currently the Chief Executive Officer of The Outdoor Circle and Chair of the Environmental Council. She is also an experienced public speaker who gives presentations regarding community-based advocacy to civic groups, students, military service groups, and professional organizations.

In her testimony to your Committee, Ms. Steiner stated that she strongly believes in the integrity of the State's environmental review process. She believes that the Council must educate others to better understand how the environmental review process works and that the result will be the protection of the environment. As Chair of the Council, Ms. Steiner sees her role as keeping the volunteers involved and enthusiastic and getting the committees up and running. Ms. Steiner also plans to update the Council's website.

Ms. Steiner's interpersonal skills, background in community advocacy and outreach, prior experience on the Council, and knowledge of environmental issues make her a tremendous asset to the Council and will contribute greatly to its functioning smoothly.

Your Committee received testimony in support of the nomination of Marjorie F. Y. Ziegler from Gary Hooser, Office of Environmental Quality Control; Lea Hong, The Trust for Public Land; Joan Lander, Na Maka O Ka 'Aina; The Nature Conservancy; Margaret Primacio, Kahuku Plantation Residents Association; Donna Wong, Hawaii's Thousand Friends; Robert Harris, Sierra Club, Hawai'i Chapter; George Massengale, Hawaii Audoban Society; Arvid Youngquist, I Love Kalihi Valley; Cynthia K.L. Rezentes; Robin Kaye; Manu Boyd; Dave Raney; Mary Ikagawa; Randy Ching; Jo-Ann M. Adams; Kevin Chang; Evan Tector; Leland Miyano; Jay Nelson; Les Welsh; Elizabeth Kashinsky; Penny Levin; William Devick; Patrick Conant; Deborah Ward; Jonathan Likeke Scheuer; Betsy Harrison Gagne; Tanya Rubenstein; Annette Kaohelaulii; Robert Kinslow; Louis Erteschik; Marion Poirier; Sally Kaye; Emma Kaimiola Yuen; David Henkin; David Duffy; Doug Lamerson; Rachel Neville; Keith Swindle; Richard Poirier; Alyssa Miller; Casey Leigh; Mele Coleman; Wayne Tanaka; Maile N. Sakamoto; Julie Leialoha; and William J. Aila, Jr.

Ms. Ziegler received her Bachelor of Arts degree with Highest Honors in Geography from the University of Hawaii at Manoa and completed two additional years of coursework in the University of Hawaii at Manoa's Master's program in Geography. She has worked for KAHEA: The Hawaiian-Environmental Alliance and the Sierra Club Legal Defense Fund (now known as Earthjustice), as well as a variety of environmental programs for the State and others.

Ms. Ziegler is currently the Executive Director of the Conservation Council for Hawai'i and has been working on environmental issues in Hawaii for twenty-five years. She has participated in two comprehensive reviews of chapter 343, Hawaii Revised Statutes, Hawaii's environmental impact statement law, and has a grassroots network of hundreds of colleagues, community leaders, and agency representatives who actively promote environmental protection and sound policy in Hawaii.

In her response to your Committee's inquiries regarding the Council and what her role would be, Ms. Ziegler stated that she would bring a "community-activist perspective" to the Council. When questioned further as to how she may be able to balance this perspective, Ms. Ziegler clarified that her perspective is not one that is contrary to business, but rather one that does not take time and staffing for granted and understands that many people need time to properly respond in certain situations, particularly on the neighbor islands. One testifier stated that Ms. Ziegler is able to balance her "intense love" for the environment with integrity, a reasonable thought process, and an ability to see the larger picture.

Ms. Ziegler's passion and large community network will facilitate one of the Council's key roles of public outreach and education. Her experience in many aspects of the environmental review process assures the accuracy of such outreach and makes her an excellent choice for the Environmental Council.

Your Committee received testimony in support of the nomination of Malia Akutagawa from Gary Hooser, Office of Environmental Quality Control; Penny Levin; and Denise Antolini.

Malia Akutagawa earned Bachelor's degrees in Biology and Philosophy from Whitworth University in Spokane, Washington. She received her Juris Doctorate and an Environmental Law Program Certificate from the William S. Richardson School of Law at the University of Hawaii at Manoa and was admitted to the Hawaii State Bar in 1998. She has also received a certificate from the Oceanic Institute focusing on marine finfish hatcheries, live larval feeds culture, nursery and grow-out, and broodstock management as well as a number of certificates in permaculture design. Her extensive list of employment with and participation in organizations that deal with environmental and cultural issues includes work as an attorney for the Native Hawaiian Legal Corporation and as a marine behavioral ecologist for the Kaho'olawe Island Reserve Commission. She has also been a member of countless boards and community organizations.

Ms. Akutagawa is currently the Director of the Molokai Rural Development Project for Maui Community College and Research Corporation of the University of Hawaii. She is also active as the President and founder of Sust 'aina ble Molokai which places her at the forefront of addressing relevant community concerns and issues.

Ms. Akutagawa stated in her testimony to your Committee that her interest in serving on the Environmental Council stems from positive experiences she has had interacting with the Council's leadership and the Office of Environmental Quality Control (OEQC) while at the University of Hawaii at Manoa. It was there that she began reviewing environmental documents in earnest and the Council and OEQC were part of what she thought of as a caring community to which she was able to contribute. Ms. Akutagawa sees her role on the Council as upholding the environmental laws of the State and providing her knowledge and skills base in the law to engage the other members in ways that will care for Hawaii's environment, resources, and people.

Ms. Akutagawa will bring an important neighbor island perspective to the Council in addition to her legal experience in the field of environmental review. She will undoubtedly be an asset to the Council.

Your Committee received testimony in support of the nomination of Shannon D. Mears from Gary Hooser, Office of Environmental Quality Control; Dorothy Mears; James Williston; Maria Lebron; David Brustein; Andrew Odell; Alicia Duffin; John Morsey; Denise Antolini; and Jacy Youn.

Mr. Mears received his Bachelor's degree from Brigham Young University-Hawaii and his Juris Doctorate from the William S. Richardson School of Law at the University of Hawaii at Manoa. He is currently a research attorney for the Legislative Reference Bureau. Mr. Mears has a wide variety of legal experience including work for private law firms, judges, and law professors.

In his testimony to your Committee, Mr. Mears stated that the job of the Council is to act as a liaison between the public and the Director of the OEQC, provide the Director with recommendations to promote economic development in an environmentally responsible manner, and monitor the proper implementation of the State's environmental laws, rules, regulations, and policies. When asked by your Committee about his statement that economic development and environmental protection are not in conflict, Mr. Mears replied by quoting an earlier nominee who stated that, in Hawaii, our environment is the economy.

Mr. Mears will bring a sharp legal mind, impartiality, and a strong work ethic to the Environmental Council.

Your Committee received testimony in support of the nomination of Iris Terashima from Gary Hooser, Office of Environmental Quality Control; B.J. Leithead Todd, County of Hawaii Planning Department; and Todd C. Barnes.

Ms. Terashima holds a Bachelor of Science degree in chemical engineering, a Master of Science degree in information systems, and a Master of Business Administration degree. Ms. Terashima was formerly employed with the engineering and construction firm URS Corporation where she was tasked with developing the Environmental Management System for Pacific Air Forces of the United States Air Force. She has assisted the City and County of Honolulu Public Transit Authority with policy development and implementation of their Environmental Compliance Program. She also worked on the development of environmental programs for state-owned airports in the City and County of Honolulu and Hawaii and Kauai Counties for the State's Department of Transportation Airports Division.

Currently Ms. Terashima owns and operates I Terashima Environmental Services, providing environmental management services, and continues her relationship with Pacific Air Forces.

When asked by your Committee about her prospective role on the Environmental Council she responded that that she would be a contributing member of the team that serves as the liaison between the Director of the OEQC and the public and aptly described the Council's other primary duties regarding the environmental review process, updating the State's environmental rules, and the compiling of an annual report.

Ms. Terashima's background as an engineer in the private sector has provided her with significant experience in identifying potential environmental issues, complying with environmental laws, and addressing public and community concerns. She will bring a professional perspective to the Council that is well-balanced with the experience of working with a variety of stakeholders of differing opinions.

As affirmed by the records of votes of the members of your Committee on Energy and Environment that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of votes for Gov. Msg. Nos. 547, 548, 550, 573, 609, and 610:

Ayes, 3. Noes, none. Excused, 2 (English, Ihara).

Signed by the Chair on behalf of the Committee.  
 Record of votes for Gov. Msg. No. 638:  
 Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 1277 Energy and Environment on Gov. Msg. No. 549**

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 549 CHARLES A. PRENTISS, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Charles A. Prentiss to possess the requisite qualifications to be nominated to the Environmental Council.

Your Committee received testimony in support of the nomination of Charles A. Prentiss from Gary Hooser, Office of Environmental Quality Control; Donna Wong, Hawaii's Thousand Friends; Robert Harris, Sierra Club, Hawai'i Chapter; Tom Coffman; Steve Holmes; Bixby K.G. Ho; Neil Frazer; Kathleen Kim; Claudine Tomasa; Mary Alice Evans; Lynne Matusow; Pauline Mac Neil; Marion Poirier; Louis Erteschik; Muriel Seto; Charles Torigoe; Richard Poirier; Glenn Ida; Charles Ice; and Dante Carpenter. Your Committee received testimony in opposition to the nomination of Charles A. Prentiss from Shannon Wood.

Dr. Prentiss received his Bachelor of Arts degree in Economics and City Planning from Rutgers University. He earned a Master of Government Administration degree from the Fels Institute of Government at the University of Pennsylvania and a Doctor of Philosophy degree in Business Management from the American International University. Dr. Prentiss is a Vietnam veteran who has served as a pilot in the United States Air Force, the Hawaii Air National Guard, and the Hawaii Army National Guard. His past employment includes being an Adjunct Lecturer at Chaminade University, a Regional Planner for the Department of Community Services of the State of New Jersey, the City Manager for Pemberton Township, New Jersey, the Executive Secretary of the Planning Commission for the City and County of Honolulu, and twenty years as an Urban Planner for the City and County of Honolulu. He also formerly served on the Environmental Council.

Although Dr. Prentiss describes his current employment status as "retired", he continues to volunteer as an Oahu at-large member of the State Central Committee of the Democratic Party of Hawaii and as the Chair of the Rules Committee and Treasurer of Region 9 of the Oahu County Committee of the Democratic Party of Hawaii. He is also the President of Hawaii's Thousand Friends and Chair of the Kailua Neighborhood Board.

Dr. Prentiss has expressed that his main interests are in planning, environmental protection, and alternative energy. In response to your Committee's question regarding his position on development, Dr. Prentiss responded that he is not against development and that there is enough land to accommodate the projected population. Dr. Prentiss states that he strongly supports the environmental review process and would like to help assure that it is implemented fairly, effectively, and efficiently. He also pointed out that Hawaii's environment is its economy.

Dr. Prentiss' possesses advanced degrees and extensive experience in government and city planning, institutional knowledge and experience in Hawaii government regulations, and a variety of experience in community volunteer work with neighborhood boards and environmental groups. This experience combined with his former membership in the Council gives him a background and knowledge base that will be invaluable in assisting the Council as it fulfills its duties to the people of 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, 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 (English, Ihara).

**SCRep. 1278 (Joint) Energy and Environment and Public Safety, Government Operations, and Military Affairs on S.C.R. No. 12**

The purpose and intent of this measure is to encourage conservation of the State's water resources through the implementation of best management practices in water use for outdoor landscaping and irrigation.

Your Committees received testimony in support of this measure from William Aila, Jr., Department of Land and Natural Resources; Department of Transportation; Milton D. Pavao, Department of Water Supply, County of Hawaii; Wayne Hashiro, Board of Water Supply, City and County of Honolulu; Chris Dacus, Landscape Industry Council of Hawaii; The Nature Conservancy; Rick Barboza, Hui Ku Maoli Ola; Bruce Guard, ISI Hawaii Water Solutions; Allan and Pamela Schildknecht; Boyd Ready; Josephine Hoh; Matt Lyum; and Jennifer Lucien.

Your Committees find that about fifty percent of household water consumption is for outdoor irrigation and that roughly fifty percent of that water is wasted. Maintaining and installing efficient irrigation systems are effective means of conserving water for drinking, reducing run-off, and optimizing the health of the plants and citizens of the State. Your Committees also find that encouraging best management practices for outdoor landscape water use is consistent with the water conservation goals and objectives of the Department of Land and Natural Resources Commission on Water Resource Management and the State Water Code, chapter 174C, Hawaii Revised Statutes. Your Committees further find that the use of best management practices for outdoor landscaping and irrigation will not only conserve the State's precious water supply but also yield financial savings to those who use these practices, including state agencies, thereby conserving the agencies' budgets and the overall budget of the State.

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 Energy and Environment and Public Safety, Government Operations, and Military Affairs 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 its adoption in the form attached hereto as S.C.R. No. 12, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (Baker, Green, Slom).

**SCRep. 1279 (Joint) Human Services and Ways and Means on S.C.R. No. 44**

The purpose and intent of this measure is to encourage further implementation of Housing First programs and services.

Your Committees received testimony in support of this measure from Catholic Charities Hawai'i and two individuals.

Your Committees find that individuals who find themselves homeless often endure the homelessness over a long period of time which results in significant costs to the public. Your Committees further find that the Housing First model can be an effective way to assist homeless individuals obtain permanent housing and provide services needed for a successful transition off the streets. Your Committees also find that implementation of Housing First programs and services can be a key strategy in ending chronic homelessness among vulnerable individuals in Hawaii.

Your Committees have amended this measure by:

- (1) Adding certain public officials to the list of recipients of certified copies of this measure;
- (2) Adding certain state and county agencies and private entities to the list of recipients of copies of this measure; 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 Human Services and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 44, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 44, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 6 (Dela Cruz, English, Espero, Green, Kim, Wakai).

**SCRep. 1280 Judiciary and Labor on S.C.R. No. 55**

The purpose and intent of this measure is to support legislation that redesignates the second Monday in October as Indigenous Peoples Day.

Your Committee received testimony in support of this measure from Le Aupuni O Hawaii, HPACH, and twenty-two individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that this measure is based on the Declaration of the Rights of Indigenous Peoples, which was adopted on September 13, 2007, by the United Nations General Assembly. The Declaration sets out the individual and collective rights of the world's 370 million native peoples, calls for the maintenance and strengthening of their cultural identities, and emphasizes their right to pursue development in keeping with their own needs and aspirations.

Your Committee believes that the use of the name Discoverers' Day to recognize the first arrival of non-Polynesians to Hawaii is problematic because of the inhumane nature of the concept of discovery as applied to humans as opposed to things. Since 1992, an increasing number of American states, cities, local governments, and institutions have renamed or abolished Columbus Day. Indigenous Peoples Day and Native American Day are two of the most prominent names now used to recognize the day.

Your Committee has amended this measure by:

- (1) Amending its title for accuracy; 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 Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 55, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 55, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1281 Judiciary and Labor on S.R. No. 29**

The purpose and intent of this measure is to support legislation that redesignates the second Monday in October as Indigenous Peoples Day.

Your Committee received testimony in support of this measure from Le Aupuni O Hawaii, HPACH, and twenty-two individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that this measure is based on the Declaration of the Rights of Indigenous Peoples, which was adopted on September 13, 2007, by the United Nations General Assembly. The Declaration sets out the individual and collective rights of the world's 370 million native peoples, calls for the maintenance and strengthening of their cultural identities, and emphasizes their right to pursue development in keeping with their own needs and aspirations.

Your Committee believes that the use of the name Discoverers' Day to recognize the first arrival of non-Polynesians to Hawaii is problematic because of the inhumane nature of the concept of discovery as applied to humans as opposed to things. Since 1992, an

increasing number of American states, cities, local governments, and institutions have renamed or abolished Columbus Day. Indigenous Peoples Day and Native American Day are two of the most prominent names now used to recognize the day.

Your Committee has amended this measure by:

- (1) Amending its title for accuracy; 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 Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 29, as amended herein, and recommends its adoption 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, 1 (Slom).

**SCRep. 1282 Judiciary and Labor on S.C.R. No. 2**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a non-exclusive easement, covering a portion of state submerged lands identified as tax map key number (2) 4-6-3, seaward of parcel 5, for purposes of renovation and construction of a seawall.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and eight individuals.

Your Committee finds that a seawall straddles the seaward boundary of the private property identified as tax map key number (2) 4-6-3:5 and submerged public land, which is state-owned and identified by tax map key number (2) 4-6-3, seaward of parcel 5. The owner of the private property has expressed concerns that the seawall requires maintenance and reconstruction, and has expressed a wish to obtain an easement for that portion of land necessary to obtain a permit for maintenance and reconstruction.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 2, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1283 Ways and Means on S.C.R. No. 53**

The purpose and intent of this measure is to urge the federal government to provide the State with additional resources to assist migrants from the Compact of Free Association nations.

Specifically, the measure seeks to better serve Hawaii's migrant population from the Compact of Free Association nations and offset the costs of providing social and health services to migrants by strongly urging the United States Department of the Interior and the United States Congress to:

- (1) Increase federal aid to the State for the provision of various services to migrants from the Compact of Free Association nations;
- (2) Help offset costs incurred by the State by reviewing the funding of the Compact Impact Assistance Grant and making efforts to increase the amount of direct assistance available to the State;
- (3) Support federal legislation to amend the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to render Compact of Free Association migrants eligible for federally funded financial and medical assistance;
- (4) Provide dialysis and chemotherapy centers in Micronesia and all areas within the Compact of Free Association nations; and
- (5) Identify and secure other forms of direct assistance, including grants and federal programs, for the State of Hawaii and for migrants from the Compact of Free Association nations living in the United States.

Your Committee received comments in support of this measure from Patricia McManaman, Director, Department of Human Services; Mila Kaahanui, Executive Director, Office of Community Services, Department of Labor and Industrial Relations; Hardy Spoehr, Executive Director, Papa Ola Lokahi (Native Hawaiian Health Board); Healthcare Association of Hawaii; Sr. Earnest Chung; and Alika Campbell.

Your Committee finds that Hawaii recognizes the unique relationship between the United States and the Compact of Free Association nations. Under the Compact, a federal agreement, the people of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are allowed to freely enter the State of Hawaii. Due to its proximity to the Compact of Free Association nations, Hawaii has experienced a significant economic burden not shared by other states. The cost of providing health and social services to these migrants increases annually and is straining the state budget.

Your Committee further finds that the federal government must address the issue of additional support for Hawaii if the State is to continue providing services to persons who enter Hawaii under the Compact of Free Association.

As 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. 53, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 4 (English, Espero, Kim, Tokuda).

**SCRep. 1284 Ways and Means on S.R. No. 27**

The purpose and intent of this measure is to urge the federal government to provide the State with additional resources to assist migrants from the Compact of Free Association nations.

Specifically, the measure seeks to better serve Hawaii's migrant population from the Compact of Free Association nations and offset the costs of providing social and health services to migrants by strongly urging the United States Department of the Interior and the United States Congress to:

- (1) Increase federal aid to the State for the provision of various services to migrants from the Compact of Free Association nations;
- (2) Help offset costs incurred by the State by reviewing the funding of the Compact Impact Assistance Grant and making efforts to increase the amount of direct assistance available to the State;
- (3) Support federal legislation to amend the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to render Compact of Free Association migrants eligible for federally funded financial and medical assistance;
- (4) Provide dialysis and chemotherapy centers in Micronesia and all areas within the Compact of Free Association nations; and
- (5) Identify and secure other forms of direct assistance, including grants and federal programs, for the State of Hawaii and for migrants from the Compact of Free Association nations living in the United States.

Your Committee received comments in support of this measure from Patricia McManaman, Director, Department of Human Services; Mila Kaahanui, Executive Director, Office of Community Services, Department of Labor and Industrial Relations; Hardy Spoehr, Executive Director, Papa Ola Lokahi (Native Hawaiian Health Board); Healthcare Association of Hawaii; Sr. Earnest Chung; and Alike Campbell.

Your Committee finds that Hawaii recognizes the unique relationship between the United States and the Compact of Free Association nations. Under the Compact, a federal agreement, the people of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are allowed to freely enter the State of Hawaii. Due to its proximity to the Compact of Free Association nations, Hawaii has experienced a significant economic burden not shared by other states. The cost of providing health and social services to these migrants increases annually and is straining the state budget.

Your Committee further finds that the federal government must address the issue of additional support for Hawaii if the State is to continue providing services to persons who enter Hawaii under the Compact of Free Association.

As 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. 27, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (English, Espero, Kim, Tokuda).

**SCRep. 1285 Ways and Means on S.C.R. No. 130**

The purpose and intent of this measure is to request the Department of Education to establish a working group to explore the feasibility of relocating the Department's Office of School Facilities and Support Services from the property located on Young Street, adjacent to the Honolulu Academy of Arts' Academy Art Center, and repurposing the space as an art resource center for teachers.

Your Committee received comments in support of this measure from Duane Preble, Art Professor Emeritus, University of Hawaii at Manoa.

Your Committee finds that the Department of Education needs to consider and reevaluate its methods for teaching fine arts in order to meet national standards. The Department of Education does not have a central facility offering teachers professional training and development in the arts.

The Department would, however, have adequate space to provide professional training and development were it to convert the property located on Young Street, adjacent to the Academy Art Center, which is currently being used by the Department's Office of School Facilities and Support Services. This action would permit the Department of Education to establish a dedicated training and learning center that would benefit from the expertise of the neighboring Honolulu Academy of Arts, thus greatly enhancing the Department's ability to develop and train its fine art teachers.

As 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. 130, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (English, Espero, Fukunaga, Kim).

**SCRep. 1286 Ways and Means on S.C.R. No. 111**

The purpose and intent of this measure is to request the Auditor to conduct a sunrise review of the regulation of large-scale dog breeders and dog breeding facilities, as proposed under S.B. No. 1522, S.D. 2, H.D. 1 (2011), including an assessment of alternative forms of regulation.

Your Committee received written comments in support of this measure from Jo Ann Uchida, Regulated Industries Complaints Office, Department of Commerce and Consumer Affairs; Celia Suzuki, Licensing Administrator of the Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs; and Pamela Burns, President and CEO, Hawaiian Humane Society.

Your Committee finds that S.B. No. 1522, S.D. 2, H.D. 1 (2011), proposes to regulate large-scale dog breeders and dog breeding facilities, which are presently unregulated. Section 26H-6, Hawaii Revised Statutes, requires the Auditor to review proposals to regulate professions, vocations, or occupations that are currently unregulated to determine the probable effects of such regulation and to assess alternative forms of regulation. This measure conforms to the procedural requirements required 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 concurs with the intent and purpose of S.C.R. No. 111, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (English, Espero, Fukunaga, Kim).

**SCRep. 1287 (Majority Ways and Means on S.C.R. No. 3)**

The purpose and intent of this measure is to request the Auditor to assess the social and financial impacts of mandating health insurance coverage for hearing aids under hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans.

Your Committee received no comments on this measure.

Your Committee finds that hearing aids are costly and most health insurers do not provide coverage for them. Accordingly, mandated insurance coverage would make hearing aids more affordable to individuals who are deaf or hard of hearing.

This measure requests the Auditor to assess the social and financial effects of mandatory health insurance coverage for hearing aids as proposed under S.B. No. 894, S.D. 1 (2011), pursuant to the procedural requirements under sections 23-51 and 23-52, Hawaii Revised Statutes, for legislation proposing mandatory health insurance coverage.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 3, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Slom). Excused, 4 (English, Espero, Fukunaga, Kim).

**SCRep. 1288 (Majority Ways and Means on S.C.R. No. 23)**

The purpose and intent of this measure is to request that the Auditor conduct an assessment of the social and financial impacts of mandating health insurance coverage for physical therapy that is prescribed by a board-certified surgeon to treat chronic pain.

Your Committee received comments on this measure from James Hewson, member, Hawaii Chapter, American Physical Therapy Association.

This measure requests the Auditor to assess the social and financial effects of requiring health coverage for physical therapy for chronic pain when prescribed by a board-certified surgeon as proposed under S.B. No. 679 (2011), pursuant to the procedural requirements under sections 23-51 and 23-52, Hawaii Revised Statutes, for legislation proposing mandatory health insurance coverage.

Your Committee finds that patients in this State who suffer chronic pain, have recurring injuries, or have more than one injury that requires physical therapy within a calendar year are currently limited to eight sessions of physical therapy covered by health care insurance per year. Your Committee further finds that requiring health insurers to provide coverage for physical therapy that is prescribed by a board-certified surgeon for chronic pain will substantially reduce illness and assist in the maintenance of good health for the people of this State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 23, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Slom). Excused, 4 (English, Espero, Fukunaga, Kim).

**SCRep. 1289 Ways and Means on S.C.R. No. 158**

The purpose and intent of this measure is to help ensure the proper use of state funds designated for public school facilities by requesting the Auditor to conduct a fiscal and compliance audit of the state educational facilities improvement special fund.

Your Committee finds that a portion of all general excise tax revenues is deposited into the state educational facilities improvement special fund for public school facilities and to provide equipment and technology infrastructure to improve public schools and other Department of Education facilities. Pursuant to section 36-32, Hawaii Revised Statutes, expenditures from the special fund are limited to projects authorized by the Legislature and subject to certain restrictions under state law. Your Committee further finds that an audit of the special fund will help evaluate the management of the special fund and determine whether its uses comply with applicable laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 158 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (English, Espero, Fukunaga, Kim).

**SCRep. 1290 (Majority Ways and Means on S.C.R. No. 10)**

The purpose and intent of this measure is to request the Auditor to conduct an impact assessment report on legislation mandating health insurance coverage for palliative care.

Your Committee received comments in support of this measure from Ann Frost, President, Hawaii Chapter, American Physical Therapy Association.

Your Committee finds that palliative care is specialized medical care that focuses on the relief or management of pain, stress, and other debilitating symptoms of serious or chronic disease. Mandatory insurance coverage for palliative care would eliminate financial barriers to these treatments and encourage the inclusion of palliative care in mainstream health care practices.

This measure requests the Auditor to assess the social and financial effects of requiring health insurance coverage for palliative care as proposed under S.B. No. 941 (2011), pursuant to the procedural requirements under sections 23-51 and 23-52, Hawaii Revised Statutes, for legislation proposing mandatory health insurance coverage.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 10, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 1 (Slom). Excused, 4 (English, Espero, Kim, Tokuda).

**SCRep. 1291 Ways and Means on S.C.R. No. 11**

The purpose and intent 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.

Your Committee finds that on the recommendation of the Joint Legislative Committee on Aging in Place, the Home for Life Task Force was established, pursuant to S.C.R. No. 7, S.D. 1 (2009), to coordinate research and action to reduce barriers to aging in place and to facilitate multigenerational or accessible living. However, a delay in the appointment of six members of the task force caused the task force to convene its first meeting significantly later than anticipated. Your Committee further finds that the task force has diligently met six times since beginning its work, but it continues to work on unresolved issues due to the initial delay. The current deadline for the task force to report its findings and recommendations to the Legislature is twenty days prior to the convening of the Regular Session of 2011. Your Committee further finds that an extension of the reporting deadline is necessary for the task force to fulfill its mission.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 11, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 4 (English, Espero, Fukunaga, Kim).

**SCRep. 1292 (Majority) Ways and Means on S.C.R. No. 8**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for naturopathic medicine.

Your Committee received comments in support of this measure from Michael Traub, Legislative Committee Chairperson, Hawaii Society of Naturopathic Physicians; David Kern, Medical Director of Grace Health Clinics and President of Hawaii Society of Naturopathic Physicians; Dr. Sarah Strong, ND, Hilo Natural Health Clinic; Darrow Hand; Ian Cholewa; K McGlone; Allison Bachlet; and Miles Greenberg.

This measure requests the Auditor to assess the social and financial effects of requiring health coverage for naturopathic medicine as proposed under S.B. No. 122, S.D. 2 (2011), pursuant to the procedural requirements under sections 23-51 and 23-52, Hawaii Revised Statutes, for legislation proposing mandatory health insurance coverage.

Your Committee finds that naturopathic medicine is an effective alternative health care system that uses a wide range of approaches such as nutrition, herbs, manipulation of the body, exercise, stress reduction, and acupuncture. In Hawaii, naturopathic medicine is a mandatory reimbursable expense under workers' compensation insurance and a personal injury benefit under automobile insurance policies. However, health insurance policies in Hawaii are not required to cover naturopathic medicine. This measure complies with state law that requires the social and financial effects of such a requirement to be assessed prior to mandating health insurance coverage for naturopathic care.

As 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. 8, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 1 (Slom). Excused, 4 (English, Espero, Fukunaga, Kim).

**SCRep. 1293 Ways and Means on S.C.R. No. 159**

The purpose and intent of this measure is to urge the Department of Hawaiian Home Lands to release pastoral and agricultural leases to its beneficiaries and to report to the Legislature statistical data related to implementation of Article XII, Section 1 of the Hawaii Constitution.

Your Committee finds that pastoral and agricultural leases are important, valuable, and viable uses of Hawaiian home lands. Your Committee further finds that providing greater access to ancestral lands is one way to improve the condition of native Hawaiians.

Your Committee has amended this measure by:

- (1) Adding language that references the court order in *Lum v. Hawaiian Homes Commission*, Civil No. 09-1-2332-10 (1st Cir. Ct. Haw., Oct. 10, 2010), which ordered the Hawaiian Homes Commission to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, before awarding any further pastoral homestead lands; and
- (2) Requesting the Department of Hawaiian Home Lands to take immediate action to comply with the court order in *Lum v. Hawaiian Homes Commission*.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 159, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (English, Espero, Kim, Tokuda).

**SCRep. 1294 Ways and Means on S.C.R. No. 124**

The purpose and intent of this measure is to urge the Director of Health to convene a task force with each county to develop a community benefits package for neighborhoods located closest to landfills. As part of the community benefits packages, the task forces are requested to consider reduction or elimination of property taxes for homeowners nearest to the landfills and user fees to support community health centers near the landfills.

Your Committee received comments in opposition to this measure from the Department of Environmental Services, City and County of Honolulu.

Your Committee received comments on this measure from The Resort Group; and Gary M. Slovin, PVT Land Company.

Your Committee finds that landfills in the State may disproportionately and adversely affect persons who live in close proximity to a landfill and that community benefits packages should be developed for residents of these neighborhoods to offset the negative effects.

Your Committee has amended this measure by:

- (1) Clarifying that residents of neighborhoods located closest to landfills may deserve special consideration in the name of environmental justice; and
- (2) Specifying a specific amount for the user fees and tipping fees that the task forces are requested to support as funding mechanisms for community health centers located closest to landfills.

As 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. 124, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 124, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (English, Espero, Kim, Tokuda).

**SCRep. 1295 (Majority) Ways and Means on S.C.R. No. 155**

The purpose and intent of this measure is to request that the Department of Business, Economic Development, and Tourism, with the assistance of the Legislative Reference Bureau, conduct a study on the feasibility of implementing a Powerball state lottery, Mega Millions lottery, or both, in the State.

Your Committee received comments on this measure from Charlotte Carter-Yamauchi, Acting Director, Legislative Reference Bureau.

Your Committee finds that Hawaii is presently suffering from a severe economic downturn resulting in drastically declining revenues, particularly in light of the earthquake and tsunami disaster in Japan and its projected effects on tourism. Alternative means of generating revenue, in addition to taxes, should be considered to address the current economic crisis. Accordingly, your Committee further finds that a study on the feasibility of implementing a state lottery is appropriate.

Your Committee has amended this measure by clarifying that the Legislative Reference Bureau's role under this measure is to assist the Department of Business, Economic Development, and Tourism in the drafting of proposed legislation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 155, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 155, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 2 (Chun Oakland, Slom). Excused, 4 (English, Espero, Kim, Tokuda).

**SCRep. 1296 Ways and Means on S.C.R. No. 28**

The purpose and intent of this measure is to request the Auditor to study the social and financial effects of mandating health insurance coverage for the use of hospital bed monitoring technology.

Your Committee received comments on this measure from Howard S. Garval, President and CEO, Child and Family Services; and Lisa Maruyama, President and CEO, Hawaii Alliance of Nonprofit Organizations.

Your Committee has amended this measure by deleting its contents and title and replacing it with language from S.B. No. 777, S.D. 1. As amended, this measure requests the Comptroller to establish a prompt payment task force to examine and resolve issues that prevent state agencies from making prompt payment for goods and services purchased through nonprofit organizations that deliver pivotal goods and services to individuals, families, and communities.

Your Committee finds that many nonprofit organizations that provide goods and services on behalf of the State to individuals, families, and communities often do not receive prompt payment from the State for those goods and services. In the last two years, many nonprofit organizations have in fact experienced significant delays in payments from the State. These organizations have had to access their lines of credit or reduce their cash reserves in order to cover their cash flow needs for day-to-day operations. In addition, late payments negatively impact the ability of such nonprofit organizations to fulfill their missions to benefit the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 28, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 28, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (English, Espero, Kim, Tokuda).

**SCRep. 1297 Ways and Means on S.C.R. No. 26**

The purpose and intent of this measure is to request the Executive Office on Aging to convene a Hawaii State Fall Prevention and Early Detection Task Force to develop a statewide approach to reducing falls among older adults.

Your Committee received comments on this measure from Charlotte A. Carter-Yamauchi, Acting Director, Legislative Reference Bureau.

Your Committee finds that the development of a statewide approach for addressing falls among older adults will not only prevent falls, but will expedite treatment, minimize long-term consequences, mitigate suffering, and reduce the extent of injuries.

Your Committee has amended this measure by requesting the task force to submit its drafting request to the Legislative Reference Bureau by November 1, 2012, rather than an unspecified date in the month of November 2012.

As 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. 26, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 26, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 4 (English, Espero, Fukunaga, Kim).

**SCRep. 1298 Judiciary and Labor on S.C.R. No. 113**

The purpose and intent of this measure is to request that the Hawaii Supreme Court Standing Committee on the Rules of Evidence conduct a study on the implementation of the Hawaii Uniform Collaborative Law Act.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation. Your Committee received comments on this measure from the Judiciary.

Your Committee finds that collaborative law is a form of alternative dispute resolution. Specifically, collaborative law is a voluntary process in which the lawyers and their clients agree that the lawyers will represent their clients solely for the purposes of settlements and that the clients will hire new counsel if the dispute is not settled. Your Committee understands that House Bill No. 626 (2011) was heard by the House Committee on Judiciary, which deferred the bill in response to a request from the Judiciary so that the measure could be reviewed by the Hawaii Supreme Court Standing Committee on the Rules of Evidence. This measure represents the Legislature's request for this review to occur.

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 Labor 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 its adoption in the form attached hereto as S.C.R. No. 113, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1299 Judiciary and Labor on S.C.R. No. 73**

The purpose and intent of this measure is to request the Governor to ensure that the Chief Procurement Officers comply with the Hawaii Public Procurement Code preferences for Hawaii products to promote growth of the State's agriculture industry and thereby assure food security for Hawaii's citizens.

Your Committee received testimony in support of this measure from The Hawai'i Procurement Institute and one individual. Your Committee received comments on this measure from the Department of Agriculture and The Humane Society of the United States.

Your Committee finds that the Hawaii Public Procurement Code preference for Hawaii products in section 103D-1002, Hawaii Revised Statutes, uses the State's buying power to create market opportunities for Hawaii's local farmers and has the potential to be an economic stimulus for Hawaii's agricultural industry. If more local agricultural products are purchased by state agencies, Hawaii's agricultural industry can expand capacity and produce a greater quantity and wider range of crops and animal products.

Your Committee considered including an amendment suggested by The Humane Society of the United States that would have predicated purchases made by procurement officers from the Hawaii Livestock Cooperative upon assurances that a majority of animals slaughtered there are raised and produced within the State. However, your Committee notes that the proposed amendment does not conform to state law or the purpose of this measure.

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 Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 73, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 73, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1300 Judiciary and Labor on S.C.R. No. 149**

The purpose and intent of this measure is to:

- (1) Encourage the Attorney General and various state and county law enforcement officers to adopt new eyewitness identification procedures recommended by the National Institute of Justice to decrease the rate of erroneous eyewitness identifications; and
- (2) Recommend that criminal investigations conducted by state and county law enforcement agencies be in accordance with the newest and best practices available for eyewitness identification.

Your Committee received testimony in support of this measure from the Hawai'i Innocence Project and the Eyewitness Identification Reform Litigation Network, American Civil Liberties Union of Hawai'i, The Drug Policy Forum of Hawai'i, Community Alliance on Prisons, and three individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that while the goal of police investigation in Hawaii is to apprehend the person or persons responsible for committing crime, traditional eyewitness identification procedures may lead to faulty eyewitness identifications. This is problematic because jurors treat a confident eyewitness identification as compelling evidence in civil and criminal trials, even if the identification is impeached based on other factors such as poor visibility or bias. One of the primary reasons that eyewitnesses to crimes have been shown to make mistakes in their recollection of perpetrator identities is the law enforcement procedures used to collect eyewitness evidence. Your Committee finds that by adopting eyewitness identification procedures that are readily available, are easy to implement, and provide more accurate results, the possibility of convicting an innocent person while allowing the true perpetrator to go free may be reduced.

Your Committee notes that the Department of the Attorney General indicated that the Department's Investigations Division already uses many of these procedures, as does the Honolulu Police Department.

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 Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 149, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 149, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1301 Public Safety, Government Operations, and Military Affairs on S.C.R. No. 84**

The purpose and intent of this measure is to request the Office of Hawaiian Affairs to convene a task force for the purpose of producing a comprehensive report on strategies and resources needed to reduce recidivism among Native Hawaiians, to be submitted to the Governor and the Legislature prior to the convening of the Regular Session of 2012.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Community Alliance on Prisons, American Civil Liberties Union of Hawai'i, Imi Ke Ola Mau, Association of Hawaiian Civic Clubs, and three individuals. Your Committee received comments on this measure from the Judiciary.

Your Committee finds that due to a number of historic and socioeconomic factors, Native Hawaiians make up a disproportionately high percentage of the inmate population in the state prison system, accounting for thirty-nine percent of the incarcerated population but only twenty-four percent of the overall state population.

Your Committee specifically notes a portion of the testimony submitted by the Office of Hawaiian Affairs on this measure:

"OHA's recent report, 'The Disparate Treatment of Native Hawaiians in the Criminal Justice System,' shows that the Native Hawaiians in the criminal justice system accumulate at each stage from arrest through parole. While Native Hawaiians are arrested at a comparable rate to other populations, Native Hawaiians are more likely to be incarcerated, have longer sentences, and more likely to have their parole revoked."

Native Hawaiians face disparate treatment in the Hawaii criminal justice system in many areas, including prison sentences, probations, and parole revocations. Your Committee believes that reducing the rate of recidivism among Native Hawaiians is a matter of the utmost urgency for our State.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1302 Public Safety, Government Operations, and Military Affairs on S.R. No. 18**

The purpose and intent of this measure is to urge the City and County of Honolulu to expend monies set aside in its 2010-2011 Executive Operating Budget and Program to the Department of Planning and Permitting for a study to map and determine Important Agricultural Lands on Oahu.

Your Committee received testimony in support of this measure from one individual.



Act 183, Session Laws of Hawaii 2005, established a process to designate Important Agricultural Lands, and the first stage of this process, which has already commenced, allows farmers and landowners to voluntarily petition the Land Use Commission to designate their lands as Important Agricultural Lands. The second stage of the designation process requires each county to identify lands for potential designation as Important Agricultural Lands and to petition the Land Use Commission to designate these lands as Important Agricultural Lands. This process is scheduled to begin on July 1, 2011.

Your Committee finds that the Executive Operating Budget and Program for the City and County of Honolulu for the 2010-2011 fiscal year sets aside \$500,000 for funding for a study to identify and map potential Important Agricultural Lands on Oahu. As extensive county planning and coordination are necessary to implement laws designed to protect important agricultural lands and support agricultural viability, your Committee encourages timely action by the City and County of Honolulu to continue the process of protecting Important Agricultural Lands.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 18, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1303 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 60**

The purpose and intent of this measure is to urge the State of Hawaii to adopt policies that limit the impact of tobacco marketing and advertising on the people of Hawaii in order to reduce the public health consequences of tobacco use by Hawaii's youth and adults.

Your Committees received testimony in support of this measure from the Department of Health, American Cancer Society, Coalition for a Tobacco-Free Hawai'i, University of Hawai'i System, Kokua Kalihi Valley Comprehensive Family Services, and thirty-six private citizens. Your Committees received testimony in opposition to this measure from the Hawaii Smokers Alliance and three private citizens.

Your Committees find that prior efforts to limit tobacco use have not had a sufficient impact on tobacco cessation and there is a need for further efforts to reduce tobacco use by adolescents and adults throughout Hawaii. This measure will encourage the State to further explore tobacco cessation mechanisms to promote healthier, tobacco-free lifestyles throughout Hawaii.

Your Committees have amended this measure by:

- (1) Amending its title for consistency; and
- (2) 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 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. 60, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 60, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Shimabukuro, Solomon, Taniguchi, Slom).

**SCRep. 1304 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 93**

The purpose and intent of this measure is to discourage and eliminate, whenever possible, the practice of creating and using specialty tiers for prescription drugs in health plans in order to ensure affordable access to health care for Hawaii's citizens.

Your Committees received testimony in support of this measure from The Neuropathy Association, Power of Pain Foundation, Neuropathy Action Foundation, The Myositis Association, The Alliance for BioTherapeutics, National Cornerstone Healthcare Services, American Foundation for Suicide Prevention, National Multiple Sclerosis Society, Immune Deficiency Foundation, HAPA, and two private citizens.

Your Committees find that because health plans across the country have begun to create specialty tiers for certain prescription drugs that require patients to pay either a much higher copayment or a percentage of the cost of the drug instead of a copayment, the high out-of-pocket costs for specialty drugs often preclude patients from complying with the treatment protocols prescribed by their doctors. This measure will help alleviate the financial hardship placed on consumers of specialty drugs.

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 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. 93, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 93, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Shimabukuro, Solomon, Taniguchi, Slom).

**SCRep. 1305 Health on S.C.R. No. 127**

The purpose of this measure is to affirm that:

- (1) The State Health Planning and Development Agency (SHPDA) is subject to Hawaii's Sunshine Law, chapter 92, Hawaii Revised Statutes; and

- (2) The State Health Services and Facilities Plan (Plan) is an agency rule that is subject to chapter 91, Hawaii Revised Statutes, and the preparation of the Health Services and Facilities Plan or any amendments thereto is required to go through the public hearing process in conformance with the requirements of chapters 91 and 92, Hawaii Revised Statutes.

The intent of this measure is to ensure that the formation and conduct of public policy, including the discussions, deliberations, decisions, and actions of government agencies are conducted as openly as possible.

Your Committee received testimony in opposition to this measure from the Department of Health and Kaiser Foundation Health Plan, Inc. Your Committee received comments on this measure from the Office of Information Practices of the Office of the Lieutenant Governor and the State Health Planning and Development Agency.

In light of the issues raised by this measure and testimony submitted on this measure, your Committee finds the need to establish a working group convened by the Chairs of the Senate and House Health Committees during the interim between the 2011 and 2012 Regular Sessions to further examine the issues raised by this measure and to recommend ways to improve the efficiency of SHPDA. Your Committee notes that it is not the intent of this measure, nor any prospective discussions regarding SHPDA's policies and procedures held pursuant to this measure, to intervene in ongoing legal disputes.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language affirming that SHPDA is subject to Hawaii's Sunshine Law and that the Plan is an agency rule subject to chapter 91, Hawaii Revised Statutes, and related findings;
- (2) Adding language requesting the Health Committee Chairs in the Senate and House of Representatives to convene a working group during the interim between the Regular Session of 2011 and the Regular Session of 2012 to evaluate whether:
  - (A) SHPDA is subject to Hawaii's Sunshine Law, chapter 92, Hawaii Revised Statutes;
  - (B) The Plan is an agency rule that is subject to chapter 91, Hawaii Revised Statutes; and
  - (C) Preparation of the Plan or any amendments thereto are required to go through the public hearing process in conformance with chapters 91 and 92, Hawaii Revised Statutes;
- (3) Adding language indicating that nothing in the measure may be used in any legal dispute or judicial proceeding, nor may any of the terms of the measure be applied retroactively from the effective date of the measure; 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 Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 127, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 127, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

**SCRep. 1306 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.C.R. No. 153**

The purpose and intent of this measure is to request the State Building Code Council to adopt the requirement that automatic fire sprinklers be installed or certified fire-retardant coatings be applied in new one- and two-family residential dwellings constructed throughout the State after January 1, 2012.

Your Committees received testimony in opposition to this measure from the State Fire Council, City and County of Honolulu Department of Planning and Permitting, and Kaua'i Fire Department. Your Committees received comments on this measure from NoFire Technologies, Inc.

Your Committees find that fire sprinklers are a reliable method of protecting residents and homes from the dangers of fire. Although automatic fire sprinklers are a proven life-saving system, they are often expensive to install even in new buildings.

Your Committees further find that fire-retardant coatings that are applied to the interior of dwellings maintain their fire-retardant qualities and effectiveness for many years without further application. Fire-retardant coatings have a cost advantage over fire sprinklers in that they are much cheaper, which could be a major attraction to the homeowner.

Your Committees believe that homeowners should have the option of selecting automatic sprinklers or fire-retardant coatings. A selection of either fire prevention method is far better than nothing to protect the public from a residential fire.

Your Committees have amended this measure by:

- (1) Deleting language requesting the State Building Code Council to adopt requirements relating to automatic fire sprinklers and fire-retardant coatings;
- (2) Requesting that developers and homebuilders consider either the installation of automatic sprinklers or application of certified fire-retardant coatings in newly constructed one- and two-family residential dwellings, depending on the preference of the homeowner; and
- (3) Amending the title of the measure accordingly.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 153, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 153, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Baker, Fukunaga).

**SCRep. 1307 (Majority) Water, Land, and Housing on S.C.R. No. 178**

The purpose and intent of this measure is to establish a Joint Urban Core and Main Street Redevelopment Working Group (Joint Working Group) to discuss mixed use development in the urban core and main streets, ways of constructing density in the urban core to minimize sprawl, and mixed use development regarding transit stations.

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 contained language that specifically requests the Chairperson of the Board of Land and Natural Resources to appoint members of the Working Group and specifies additional members to be appointed to the Working Group.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Housing Finance and Development Corporation; Department of Transportation; Office of Planning; City and County of Honolulu Department of Planning and Permitting; Kamehameha Schools; Alexander and Baldwin, Inc.; The Howard Hughes Corporation; Michael Gach; Charles Ice; Neil Frazer; and Marjorie Erway. Your Committee received comments on the proposed S.D. 1 from the Department of Land and Natural Resources; The Chamber of Commerce of Hawaii; Building Industry Association of Hawaii; and Cathleen Pomponio.

Your Committee finds that the purposes of this measure can be better achieved through a working group comprised of additional members representing private sector developers, contractors, architects, and county and state agencies.

In testimony presented to your Committee, the Department of Land and Natural Resources requested that it be allowed to serve as a member of the Working Group rather than serving as the Chair of the Working Group.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by adopting the amendment proposed by the Department of Land and Natural Resources. As amended, this measure:

- (1) Requests the President of the Senate and Speaker of the House of Representatives, rather than the Department of Land and Natural Resources, to form the Joint Working Group;
- (2) Amends the composition of the Joint Working Group to include state, county, and private sector representatives from affected governmental and non-governmental entities;
- (3) Requests that the President of the Senate and Speaker of the House of Representatives jointly select the Chairperson of the Joint Working Group; and
- (4) Makes 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, and Housing 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, 6. Noes, 1 (Fukunaga). Excused, none.

**SCRep. 1308 (Majority) Water, Land, and Housing on S.R. No. 59**

The purpose and intent of this measure is to establish an Urban Core and Main Street Redevelopment Working Group (Working Group) to discuss mixed use development in the urban core and main streets, ways of constructing density in the urban core to minimize sprawl, and mixed use development regarding transit stations.

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 contained language that specifically requests the Chairperson of the Board of Land and Natural Resources to appoint members of the Working Group and specifies additional members to be appointed to the Working Group.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Housing Finance and Development Corporation; Department of Transportation; Office of Planning; City and County of Honolulu Department of Planning and Permitting; Kamehameha Schools; Alexander and Baldwin, Inc.; The Howard Hughes Corporation; Michael Gach; Charles Ice; Neil Frazer; and Marjorie Erway. Your Committee received comments on the proposed S.D. 1 from the Department of Land and Natural Resources; The Chamber of Commerce of Hawaii; Building Industry Association of Hawaii; and Cathleen Pomponio.

Your Committee finds that the purposes of this measure can be better achieved through a working group comprised of additional members representing private sector developers, contractors, architects, and county and state agencies.

In testimony presented to your Committee, the Department of Land and Natural Resources requested that it be allowed to serve as a member of the Working Group rather than serving as the Chair of the Working Group.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by adopting the amendment proposed by the Department of Land and Natural Resources. As amended, this measure:

- (1) Requests the President of the Senate, rather than the Department of Land and Natural Resources, to form the Working Group;
- (2) Amends the composition of the Working Group to include state, county, and private sector representatives from affected governmental and non-governmental entities;
- (3) Requests that the President of the Senate select the Chairperson of the Working Group; and
- (4) Makes 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, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 59, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 59, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Fukunaga). Excused, none.

**SCRep. 1309 Health on Gov. Msg. Nos. 586, 587, and 588**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF OPERATION PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 586 ROGER BABCOCK, for a term to expire 6-30-2015;

G.M. No. 587 AUDREY K. UYEMA PAK, for a term to expire 6-30-2015; and

G.M. No. 588 LOREN S. TANIGAWA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Roger Babcock, Audrey K. Uyema Pak, and Loren S. Tanigawa to possess the requisite qualifications to be nominated to the Board of Certification of Operation Personnel in Wastewater Treatment Plants ("Board").

Your Committee received testimony in support of the nomination of Mr. Babcock from the Department of Health.

Mr. Babcock's academic and professional experience will bring valuable knowledge to the Board. Mr. Babcock is presently an Associate Professor at the College of Engineering at the University of Hawaii at Manoa and an Associate Researcher at the Water Resources Research Center. He earned a Doctorate of Philosophy in Civil and Environmental Engineering from the University of California, Los Angeles, a Master of Science in Civil Engineering from California Polytechnic State University, and a Bachelor of Science from the University of California, Davis.

Mr. Babcock has an academic and field background in the area of wastewater treatment. In his previous capacity as a Project Engineer in Walnut Creek, California, Mr. Babcock helped select and evaluate design alternatives and materials to be used for the upgrade and expansion of drinking water and wastewater treatment plants. Mr. Babcock also previously served as a Project Manager for a pilot-scale indirect potable reuse wastewater reclamation demonstration and research project. Mr. Babcock is a member of the American Society of Civil Engineers and has written and published numerous studies on water resources and wastewater treatment.

Your Committee received testimony in support of the nomination of Ms. Uyema Pak from the Department of Health.

Ms. Uyema Pak has over fifteen years of experience in the wastewater treatment and environmental engineering field, and her engineering experience makes her well-suited for position on the Board. Ms. Uyema Pak currently works in the Wastewater Branch of the Department of Health as an Environmental Engineer and has served previously in the Technical Services Branch of the City and County of Honolulu's Department of Environmental Services, where she coordinated in-house construction projects, evaluated wastewater equipment, and maintained regulatory documents. Ms. Uyema Pak also has an extensive background in monitoring and compliance work. She served in the Monitoring and Compliance Branch of the City and County of Honolulu's Department of Environmental Services, where she ensured compliance with reporting requirements associated with wastewater and air permits. Currently, Ms. Uyema Pak works within the Environmental Management Division of the Department of Health where she investigates wastewater complaints and monitors and inspects wastewater treatment plants. Ms. Uyema Pak earned Master of Science and Bachelor of Science degrees in Civil Engineering from the University of Hawaii.

Your Committee received testimony in support of the nomination of Mr. Tanigawa from the Department of Health; Department of Public Works, County of Kaua'i; and seven private citizens.

Upon review of the testimony, your Committee finds that Mr. Tanigawa's experience in plant operations make him well-qualified for the position. Mr. Tanigawa began his training as an unlicensed Operator Assistant at the Wailua Wastewater Treatment Plant and quickly advanced to Operator III by passing the requisite statewide operator license examinations. Mr. Tanigawa currently operates and maintains wastewater treatment facilities and is charged with the responsibility of promoting the safe, effective, and efficient use of processes and equipment in order to ensure public health and safety. Mr. Tanigawa understands the importance of consistent plant operations in order to protect water quality and the environment, and he will bring operational knowledge to the Board.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Shimabukuro, Wakai).

**SCRep. 1310 Health on Gov. Msg. Nos. 649 and 650**

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR OF THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

G.M. No. 649 ROMALA RADCLIFFE, for a term to expire 6-30-2011; and

G.M. No. 650 ROMALA RADCLIFFE, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by Romala Radcliffe and finds that Ms. Radcliffe's background in health care administration make her a well-qualified nominee for the position of Director of the State Health Planning and Development Agency for the term to expire June 30, 2011, and also for the term to expire on June 30, 2015.

Your Committee received testimony in support of the nomination of Romala Radcliffe from the Department of Health, Hawaii Long Term Care Association, and sixteen private citizens.

Ms. Radcliffe has over seventeen years of experience in human service and health care management and is a Hawaii-licensed nursing home administrator. She is an active member of her community and has demonstrated an ability to employ collaborative leadership skills to constructively engage individuals to help solve health care-associated issues. As part of her commitment to helping others, Ms. Radcliffe served as a Legislative Advocate for the American Cancer Society and as a Board member for Women Helping Women. Ms. Radcliffe was also a Public Safety/Fire Commissioner for the County of Maui and served as a Counselor for the Maui Sexual Assault Crisis Center.

Ms. Radcliffe has a Bachelor of Arts degree in Public Administration from the University of Hawaii and a Master of Arts degree with a concentration in Professional Studies from the University of Miami.

In her past employment at the Kahala Nui Hi'olani Care Center, Ms. Radcliffe served as the Center's Administrator. As the Administrator, she was responsible for the supervision of 105 medical professionals and fostered an environment in which residents enjoyed high levels of service while ensuring that sanitation and safety standards were maintained and adhered to at all times. Ms. Radcliffe's professional experience, including her work as Director of Volunteer Services at the University of Miami Hospital and the Sylvester Comprehensive Cancer Center, provides her with the critical foundation needed to understand the issues associated with mandated services and facility planning that she will confront as Director of the State Health Planning and Development Agency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Nishihara, Wakai, Slom).

#### **SCRep. 1311 Public Safety, Government Operations, and Military Affairs on H.C.R. No. 134**

The purpose and intent of this measure is to encourage all services of the United States military and the United States Coast Guard to convene a working group with local animal shelters and rescue organizations and make resources available to help provide continual care for domestic animals owned by members of the military and Coast Guard who are required to deploy or relocate out of the State.

Your Committee received testimony in support of this measure from the Hawaii Cat Foundation, Oahu Society for the Prevention of Cruelty to Animals, and twelve individuals.

Your Committee finds that most members of the military and Coast Guard who deploy or relocate want to ensure that their pets will be cared for during their absence, and they wish to be reunited with their pets when they return. However, some members of the military and Coast Guard relinquish their pet to a local shelter, or worse, abandon the animal because they have no one available to care for it. With many thousands of members of the military and Coast Guard stationed in Hawaii, the need to provide continual care for pets owned by deploying or relocating service members is magnified. Your Committee finds that this measure begins the process of addressing this issue.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 134, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

#### **SCRep. 1312 (Joint) Water, Land, and Housing and Judiciary and Labor on S.R. No. 70**

The purpose and intent of this measure is to request the Attorney General to conduct an investigation relating to the payment of geothermal royalties by Puna Geothermal Venture, among other things, to determine whether geothermal royalties are being administered in a fair, legal, and ethical manner.

Your Committees received testimony in support of this measure from Robert K. Lindsey, Jr., member of the Board of Trustees of the Office of Hawaiian Affairs. Your Committees received testimony in opposition to this measure from the Department of the Attorney General. Your Committees received comments on this measure from the Department of Land and Natural Resources and Lee McIntosh.

Your Committees find that section 182-18, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to "fix the payment of royalties to the State for the utilization of geothermal resources at a rate which will encourage the initial and continued production of such resources." In addition, section 26-18, Hawaii Revised Statutes, requires, among other things, that the Department of Business, Economic Development, and Tourism undertake energy development and management.

Your Committees have amended this measure by:

- (1) Requesting the Auditor to conduct an audit of the State's program of geothermal leasing and royalty payments, rather than requesting the Attorney General to conduct an investigation, and making conforming amendments, including amendments to the title;

- (2) Adding language describing the statutory responsibilities of the Board of Land and Natural Resources and the Department of Business, Economic Development, and Tourism, as they relate to mining of geothermal resources and energy development and management;
- (3) Deleting language related to "avoided cost formula", contracts between Hawaii Electric Light Company, Inc., and Puna Geothermal Venture, and possible criminal activity associated with geothermal royalties; and
- (4) 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 Water, Land, and Housing and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 70, 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. 70, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Fukunaga, Ihara, Tokuda, Slom).

**SCRep. 1313 (Joint) Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing on S.R. No. 93**

The purpose and intent of this measure is to request the State Building Code Council to adopt the requirement that automatic fire sprinklers be installed or certified fire-retardant coatings be applied in new one- and two-family residential dwellings constructed throughout the State after January 1, 2012.

Your Committees received testimony in opposition to this measure from the State Fire Council, City and County of Honolulu Department of Planning and Permitting, and Kaua'i Fire Department. Your Committees received comments on this measure from NoFire Technologies, Inc.

Your Committees find that fire sprinklers are a reliable method of protecting residents and homes from the dangers of fire. Although automatic fire sprinklers are a proven life-saving system, they are often expensive to install even in new buildings.

Your Committees further find that fire-retardant coatings that are applied to the interior of dwellings maintain their fire-retardant qualities and effectiveness for many years without further application. Fire-retardant coatings have a cost advantage over fire sprinklers in that they are much cheaper, which could be a major attraction to the homeowner.

Your Committees believe that homeowners should have the option of selecting automatic sprinklers or fire-retardant coatings. A selection of either fire prevention method is far better than nothing to protect the public from a residential fire.

Your Committees have amended this measure by:

- (1) Deleting language requesting the State Building Code Council to adopt requirements relating to automatic fire sprinklers and fire-retardant coatings;
- (2) Requesting that developers and homebuilders consider either the installation of automatic sprinklers or application of certified fire-retardant coatings in newly constructed one- and two-family residential dwellings, depending on the preference of the homeowner; and
- (3) Amending the title of the measure accordingly.

As affirmed by the records of votes of the members of your Committees on Public Safety, Government Operations, and Military Affairs and Water, Land, and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 93, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 93, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Baker, Fukunaga).

**SCRep. 1314 (Joint) Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs on S.R. No. 109**

The purpose and intent of this measure is to urge the Governor to not transfer Hapuna Beach and Mauna Kea State Recreation Areas from the State to the County of Hawaii, thereby retaining jurisdiction over those recreation areas under the Department of Land and Natural Resources.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources. Your Committees received testimony in opposition to this measure from the County of Hawai'i, Office of the Mayor.

Your Committees find that the Department of Land and Natural Resources possesses the ability, resources, and expertise to administer, manage, and exercise control over Hapuna Beach and Mauna Kea State Recreation Areas and enhance the experience of people who visit those public recreational facilities.

Your Committees have amended this measure by making technical, nonsubstantive amendments, including the reorganization of language, for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Housing and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 109, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 109, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Baker, Fukunaga).

**SCRep. 1315 (Joint) Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs on H.C.R. No. 43**

The purpose and intent of this measure is to express strong support for the education of Hawaii's drivers regarding their responsibilities to blind pedestrians.

Your Committees received testimony in support of this measure from the Department of Transportation, Department of Human Services, and three individuals.

Act 75, Session Laws of Hawaii 1972, specifically established the responsibilities of drivers toward blind pedestrians, yet thirty-nine years later, none of Hawaii's counties have included questions about these responsibilities on driver's licensing examinations. In 2010, Senate Concurrent Resolution No. 10 and Senate Resolution No. 20 requested improvements in public awareness with regard to drivers' responsibilities to blind pedestrians. These resolutions called for the inclusion of questions regarding drivers' responsibilities to blind pedestrians on all state drivers' license examinations. These resolutions also requested the Department of Education to discuss responsibilities toward blind pedestrians in its drivers' education program. However, neither measure was heard, and your Committees find a persisting need for drivers' education and increased awareness regarding blind pedestrians.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 43, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Baker, Gabbard, Kidani).

**SCRep. 1316 Human Services on Gov. Msg. Nos. 639, 641, and 642**

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 639 MARC ANTOINE MORTIMER, for a term to expire 6-30-2012;

G.M. No. 641 YVONNE L. FOSTER, for a term to expire 6-30-2014; and

G.M. No. 642 ANN ELIZABETH LEMKE, for a term to expire 6-30-2014.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Marc Antoine Mortimer, Yvonne L. Foster, and Ann Elizabeth Lemke to possess the requisite qualifications to be nominated to the Statewide Independent Living Council.

Your Committee received testimony in support of the nomination of Mr. Mortimer from the Department of Human Services, Statewide Independent Living Council of Hawaii, and one individual.

Mr. Mortimer has extensive volunteer and advocacy experience, and as a person with a disability who lives independently in the community, he also has firsthand knowledge about independent living that would be very beneficial to the Council.

In 2003, Mr. Mortimer engaged in advocacy and lobbying activities at the California State Capitol for Assembly Bill 649, relating to funding for community services and support for persons with developmental disabilities. He also lobbied for legislation to improve health care and promote independent living for persons with disabilities in California. Mr. Mortimer has participated in fundraising activities for Easter Seals, American Red Cross, and the United Way. Mr. Mortimer was previously appointed to serve on the Statewide Independent Living Council in 2007.

Mr. Mortimer expressed through his personal statement that his desire to serve on the Board stems from his need to serve others, especially people with disabilities. Mr. Mortimer is passionate about sharing his own experiences and talking to people with disabilities about the opportunities for independent living and integration into their community. Mr. Mortimer has been effective in contributing to others by volunteering in organizations that serve people with disabilities.

Your Committee finds that Mr. Mortimer's experience in advocating for the independent living needs of individuals with disabilities and the services necessary to ensure their integration into the community will be an asset to the Statewide Independent Living Council.

Your Committee received testimony in support of the nomination of Ms. Foster from the Department of Human Services, Statewide Independent Living Council, and one individual.

Your Committee finds that Ms. Foster has over thirty years of business and volunteer experience. She has lived on Kauai since 1997 and has served on numerous boards and community associations. She has been a board member of Kauai Economic Opportunities, Incorporated for the past nine years. As a member, she has had the opportunity to serve the needs of the homeless and low-income population. Ms. Foster has also served on the board of the Mutual Housing Association of Hawaii, Holy Family Parish International Community, and Marist Brothers High School Board of Parents.

Ms. Foster expressed through her personal statement that her sincere interest in assisting individuals with disabilities is what motivates her to serve on the Statewide Independent Living Council. Testimony by the Statewide Independent Living Council indicates that Ms. Foster's experience living on another island, as well as her volunteer and work experience, will be of great value to the Council.

Your Committee finds that Ms. Foster's experiences with a variety of community associations relating to housing, parenting, legal aid, and integration qualify her to be a member of the Statewide Independent Living Council.

Your Committee received testimony in support of the nomination of Dr. Lemke from the Department of Human Services, Statewide Independent Living Council, and four individuals.

Dr. Lemke earned her Doctorate in Counseling Psychology from New Mexico State University. She currently serves as Windward Community College's Disability Specialist and Admissions Coordinator. Dr. Lemke is an active community member and volunteer and is the current President of the Anuenue Chapter of the National Federation of the Blind of Hawaii. She has previously served on the boards of Goodwill Industries in El Paso, Texas and the Hawaii Center for Independent Living. Dr. Lemke was also one of a group of disabled advocates who started the Volar Center for Independent Living in El Paso, Texas.

According to Dr. Lemke's personal statement, her experiences as a person with a lifelong disability have instilled in her a desire to help people with disabilities attain a level of independence that will allow them to fully participate in and contribute to their communities. Dr. Lemke also mentioned that her career has been guided by two complementary passions. First, she has spent over thirty years as a postsecondary counselor who specializes in assisting persons with physical, mental, and sensory disabilities in their quest to complete a college education. Second, she has also been a devoted volunteer in the independent living movement. As an independent, contributing member of society who has a disability, Dr. Lemke strives to lead by example and learn from other individuals with disabilities who work for equality and justice.

Your Committee finds that Dr. Lemke's past experience, current employment as a college counselor, and continuing commitment to the fundamental strengths of the independent living movement uniquely qualify her to serve on the Statewide Independent Living Council and work for a better life for persons with disabilities in Hawaii.

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, 4. Noes, none. Excused, none.

**SCRep. 1317 Commerce and Consumer Protection on Gov. Msg. No. 602**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 602 REID K. SAITO, for a term to expire 6-30-2014.

Your Committee has reviewed the personal statement and resume submitted by the nominee and finds Reid K. Saito to possess the requisite qualifications to be nominated to the Board of Examiners in Optometry.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs and Hawaii Optometric Association.

Upon review of the testimony, your Committee finds that this nominee has practiced as a licensed optometrist for over a decade and has experience in private practice and public sector clinics including those operated by the United States Department of Veterans Affairs. Your Committee further finds that this nominee's past service as President of the Hawaii Optometric Association has given this nominee experience with leadership and collaboration, which will serve him well in a position on the Board of Examiners in Optometry. Your Committee also finds that this nominee's first-hand clinical experience as a licensed optometrist, proven leadership within his profession, and desire to serve the public qualify him for appointment to the Board of Examiners in Optometry.

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, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 1318 Commerce and Consumer Protection on Gov. Msg. No. 603**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 603 SHARI GOO-YOSHINO, for a term to expire 6-30-2014. (Term amended to 6-30-2013 by GM789).

Your Committee has reviewed the personal statement and resume submitted by the nominee and finds Shari Goo-Yoshino to possess the requisite qualifications to be nominated to the Board of Speech Pathology and Audiology.

Your Committee received testimony in support of the nomination of Shari Goo-Yoshino from the Board of Speech Pathology and Audiology and two private individuals.

Upon review of the testimony, your Committee finds that this nominee has been a licensed and practicing speech pathologist for over twenty years. Your Committee finds that this nominee's professional experience includes direct clinical work at Rehabilitation Hospital of the Pacific, California-Hawaii Elks Major Project, and Tripler Army Medical Center as well as service as an instructor and clinical supervisor at the University of Hawaii. Your Committee also finds that this nominee has been a leader in her profession, serving in elected and appointed positions in the Hawaii Speech-Language-Hearing Association and on the peer review panel of the State's Regulated Industries Complaints Office. Your Committee notes that this nominee currently serves as an interim member of the Board of Speech Pathology and Audiology and has actively participated in Board discussions in that capacity. Your Committee further finds that this nominee's professional experience and demonstrated leadership qualify her for appointment to the Board of Speech Pathology and Audiology.



Your Committee finds that Shari Goo-Yoshino has been nominated for appointment 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, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 1319 Commerce and Consumer Protection on Gov. Msg. Nos. 604, 605, 606, and 607**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

- G.M. No. 604 ANNE MARIE HORNER, for a term to expire 6-30-2014;
- G.M. No. 605 VALERY E. O'BRIEN, for a term to expire 6-30-2014;
- G.M. No. 606 JOSEPH SNIEZEK, for a term to expire 6-30-2014; and
- G.M. No. 607 KRISTINE M. TAKEKAWA, for a term to expire 6-30-2014.

Your Committee has reviewed the personal statements and resumes submitted by Anne Marie Horner, Valery E. O'Brien, and Kristine M. Takekawa and the personal statement and curriculum vitae submitted by Joseph Snizek and finds these nominees to possess the requisite qualifications to be nominated to the Board of Speech Pathology and Audiology.

Your Committee received testimony in support of the nomination for reappointment of Anne Marie Horner from the Board of Speech Pathology and Audiology.

Upon review of the testimony, your Committee finds that this nominee is a licensed and practicing speech language pathologist in the Department of Education and has been an active contributor to her profession throughout her career, serving the Hawaii Speech-Language-Hearing Association most recently as Recording Secretary and previously as President. Your Committee also finds that this nominee actively serves her community as a member of the Aliamanu Elementary School Community Council and Aliamanu Elementary School Parent Teacher Association. Further, your Committee finds that this nominee has been an active and engaged member in her first term on the Board of Speech Pathology and Audiology. Your Committee notes that this nominee's knowledge of state licensing requirements and national standards has been valuable to the Board as it reviews its administrative rules. Your Committee finds that this nominee's first-hand experience as a speech pathologist, familiarity with state and federal regulations, and enthusiasm for service qualify her for reappointment to the Board of Speech Pathology and Audiology.

Your Committee received testimony in support of the nomination of Valery E. O'Brien from the Board of Speech Pathology and Audiology.

Upon review of the testimony, your Committee finds that in addition to maintaining a successful career in marketing and management, this nominee has also served her community through extensive volunteer work with organizations including Easter Seals Hawaii, Special Olympics, Goodwill Industries of Hawaii, Hawaii Services of Deafness, and Girl Scouts of Hawaii as well as service on the Mayor's Advisory Committee on Disabilities and the State Special Education Advisory Council. Your Committee notes that this nominee is especially well-suited to represent the interests of the public to the Board of Speech Pathology and Audiology since, in addition to sustaining a long-term commitment to disability service organizations and policy boards, this nominee is also the parent of an adult child with disabilities who uses speech pathology and audiology services. Your Committee also finds that this nominee's connections with the community of consumers within the industry regulated by the Board of Speech Pathology and Audiology and her broad professional experience with management and communications will be an asset to the Board of Speech Pathology and Audiology.

Your Committee received testimony in support of the nomination for reappointment of Joseph Snizek from the Board of Speech Pathology and Audiology.

Upon review of the testimony, your Committee finds that this nominee is a leader in the fields of otolaryngology and surgery, with extensive clinical, surgical, and academic credentials. Your Committee notes that section 468E-6, Hawaii Revised Statutes, mandates that one public member of the Board of Speech Pathology and Audiology be licensed to practice medicine and hold a certification of qualification for the American Board of Otorhinolaryngology. Your Committee finds that this nominee fulfills that requirement.

In addition to his achievements in the field of oncologic surgery, your Committee finds that this nominee has also served his profession including through service on the Credentials Committee and Planning Committee of the American Head and Neck Society, Tripler Army Medical Center Ethics Committee, Head and Neck Education Committee of the American Academy of Otolaryngology/Head and Neck Surgery, Board of Directors of the Pan-Pacific Surgical Association, and as Vice President and President of the Hawaii Society of Otolaryngology. Your Committee further notes that this nominee has practiced throughout his career in the military and Veterans Affairs system, giving him experience with a wide variety of patients and community members. Your Committee finds that this nominee has contributed exceptional analysis and creative problem-solving skills to the Board of Speech Pathology and Audiology. Your Committee further finds that this nominee's professional qualifications and commitment to service qualify him to continue to serve with distinction on the Board.

Your Committee received testimony in support of the nomination for reappointment of Kristine M. Takekawa from the Board of Speech Pathology and Audiology.

Upon review of the testimony, your Committee finds that this nominee has been a licensed and practicing audiologist for more than twenty years. Your Committee further finds that this nominee has spent her career in the public sector, working through the

Department of Health and Department of Education to identify and provide medical and educational services for children with hearing loss or deafness. Your Committee notes that this nominee for reappointment currently serves as Chair of the Board of Speech Pathology and Audiology and has been a diligent member of the Board since her initial appointment in 2008. Your Committee also finds that this nominee brings knowledge gained through first-hand experience and generous contribution of her own time to the Board of Speech Pathology and Audiology and is therefore well-qualified to continue her exemplary service.

Your Committee finds that Valery E. O'Brien has been nominated for appointment and Anne Marie Horner, Joseph Sniezek, and Kristine M. Takekawa have been nominated for reappointment to the Board of Speech and Language Pathologists based on their knowledge, experience, and commitment to public service.

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 (Slom).

**SCRep. 1320 Commerce and Consumer Protection on Gov. Msg. No. 626**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 626 PAUL W. CONDRY, for a term to expire 6-30-2015.

Your Committee has reviewed the personal statement and resume submitted by the nominee and finds Paul W. Condry to possess the requisite qualifications to be nominated to the Board of Dental Examiners.

Your Committee received testimony in support of the nomination of Paul W. Condry from the Board of Dental Examiners.

Your Committee finds that this nominee is qualified to serve as a public member of the Board of Dental Examiners and has worked for over forty years in the field of labor relations and management in the public and private sectors, most notably with the United States and State Departments of Labor. In those capacities, the nominee has developed expertise in state and federal labor regulatory structures. Your Committee further finds that this nominee has extensive experience with state regulatory boards, having served as Chair of the Board of Acupuncture, as a public member of the State Board of Chiropractic Examiners, and as a public member of the Elevator Mechanics Licensing Board. Your Committee notes that this nominee currently serves on the Board of Dental Examiners as an interim appointee. In that capacity, the nominee has actively participated in Board discussions and has contributed valuable insights gained from his many years of experience. Your Committee finds that this nominee's deep knowledge of and experience with the State's regulatory systems and his commitment to public service will allow him to effectively represent the interests of the public on the Board of Dental Examiners.

Your Committee finds that Paul W. Condry has been nominated for appointment to the Board of Dental 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, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 1321 Commerce and Consumer Protection on Gov. Msg. No. 629**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF NURSING

G.M. No. 629 DENISE L. COHEN, for a term to expire 6-30-2014.

Your Committee has reviewed the resume submitted by the nominee and finds Denise L. Cohen to possess the requisite qualifications to be nominated to the Board of Nursing.

Your Committee received testimony in support of the nomination of Denise L. Cohen from the Board of Nursing and Hawai'i Association of Professional Nurses.

Upon review of the testimony, your Committee finds that this nominee has worked for almost thirty years as a licensed provider in the field of nursing in a variety of capacities and settings. Your Committee notes that this nominee began her career as a licensed practical nurse and, through continuing pursuit of higher education and professional development, has advanced to achieve the highest professional certification and licensure available in that field. Your Committee also finds that this nominee's broad range of experience in the roles of licensed practical nurse, registered nurse, and advanced practice registered nurse with prescriptive authority in private practice and hospital settings as well as her academic experience teaching nursing theory and supervising clinical instruction of student nurses gives her a unique perspective and important insight into the entire practice of nursing. Your Committee further finds that this nominee is a leader in her profession, having served as a member of the Executive Committee of Maui Community College, as Vice President and a member of the Board of Directors of the Hawaii Nurses Association, and as President of the Maui Nurses Association. Your Committee further finds that this nominee's education, professional experience, and proven leadership will allow her to be an asset to the Board of Nursing.

Your Committee finds that Denise L. Cohen has been nominated for appointment to the Board of Nursing 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, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 1322 Human Services on Gov. Msg. Nos. 723, 725, and 726**

Recommending that the Senate advise and consent to the nominations of the following:

**BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY**

- G.M. No. 723 DAVID J. GIERLACH, for a term to expire 6-30-2015;  
G.M. No. 725 TREVOR N. TOKISHI, for a term to expire 6-30-2015; and  
G.M. No. 726 GEORGE YOKOYAMA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds David J. Gierlach, Trevor N. Tokishi, and George Yokoyama to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Public Housing Authority.

Your Committee received testimony in support of the nomination of David J. Gierlach from the Department of Human Services and Hawaii Public Housing Authority.

Mr. Gierlach earned a Juris Doctor from the University of Hawaii School of Law and a Master of Arts in Religious Studies from Maryknoll School of Theology as well as a Bachelor of Arts degree in History from the State University of New York at Binghamton. He has over twenty years of experience as an attorney in private practice and currently serves as the Rector at St. Elizabeth's Episcopal Church. In that capacity, Mr. Gierlach has been actively involved with the residents and the Tenant's Association of Mayor Wright Housing.

Testimony received by your Committee indicates that Mr. Gierlach has worked for many years on housing issues for Hawaii's vulnerable residents. He is very knowledgeable about the need for affordable housing, and his experience and compassion in advocating for housing needs will be an asset to the Board.

Mr. Gierlach indicated in his personal statement that he desires to serve on the Board because he believes affordable housing is an urgent need in the community, and he hopes to be a positive influence and advocate for public housing residents.

Your Committee is confident that Mr. Gierlach's many years of service to the Oahu community, particularly with respect to his work with low-income housing advocacy groups, will make him a valuable addition to the Board of Directors of the Hawaii Public Housing Authority.

Your Committee received testimony in support of the nomination of Trevor N. Tokishi from the Department of Human Services and Hawaii Public Housing Authority.

Mr. Tokishi received his Bachelor of Business Administration in Accounting and Human Resource Management from the University of Hawaii. He is a certified public accountant and the Executive Vice President of the Valley Isle Community Federal Credit Union. Mr. Tokishi is very active in the Maui community and serves on a variety of boards and commissions, including the Maui Memorial Medical Center Foundation, Maui Food Bank, University of Hawaii Maui College Accounting Advisory Committee, and the Hawaii Credit Union League.

Testimony received by your Committee indicates that Mr. Tokishi will bring financial, real estate, and strategic planning experience to the Board of Directors of the Hawaii Public Housing Authority.

Mr. Tokishi expressed through his personal statement that as a member of the Board of the Hawaii Public Housing Authority, he would like to use his skills, experience, and unique perspective to improve the living situation and quality of life for Hawaii citizens who are residents in public housing.

Your Committee finds that the Board of Directors of the Hawaii Public Housing Authority needs directors with a variety of life experiences and professional expertise to effectively fulfill its role as a policy guide for the Hawaii Public Housing Authority. Your Committee is confident that Mr. Tokishi's professional experience as a Certified Public Accountant and credit union executive would be extremely valuable to the Board.

Your Committee received testimony in support of the nomination of George Yokoyama from the Department of Human Services, Hawaii Public Housing Authority, and three individuals.

Mr. Yokoyama received his Bachelor of Science degree from Sophia University in Tokyo, Japan. He served as Executive Director of the Hawaii County Economic Opportunity Council for almost thirty years. In that capacity, he spearheaded the mobilization of public and private resources to develop employment and training programs, self-help housing projects, business development projects, and programs for underachieving students. He was also a member of the Board of Commissioners of the predecessor agency to the Hawaii Public Housing Authority, the Hawaii Housing Authority.

Mr. Yokoyama has received awards for his leadership and advocacy in the community, including the United States Small Business Administration Research Advocate of the Year Award and the United States Small Business Administration Minority Small Business Advocate of the Year Award. In 2003, he was inducted into The Grantsmanship Center's Hall of Fame.

Testimony received by your Committee indicates that Mr. Yokoyama has spent most of his professional life working to promote health, education, and the general welfare of lower-income residents in Hawaii County. Mr. Yokoyama's grant writing abilities have brought in millions of dollars to help alleviate poverty on the Island of Hawaii. His character, knowledge, and commitment to serving others will be a tremendous asset to the Hawaii Public Housing Authority.

Mr. Yokoyama indicated in his personal statement that he has spent the past forty years helping low-income individuals in Hawaii County. He is able to offer innovative solutions to problems, mobilize resources, and strengthen public and private partnerships. He is confident that he can make positive contributions to the Board of the Hawaii Public Housing Authority and tenants of public housing.

Your Committee finds that Mr. Yokoyama's past experience as a member and officer of the Hawaii Public Housing Authority's predecessor agency will be an invaluable perspective on the current state of public housing in Hawaii. His experience as the executive director of a non-profit organization and community action agency will also be a tremendous asset to the Board of Directors of the Hawaii Public Housing Authority.

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 (Green).

**SCRep. 1323 Human Services on Gov. Msg. Nos. 772 and 773**

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 772 MITCHELL J. KEAWE; and

G.M. No. 773 JENNIFER HAUSLER, for a term to expire 6-30-2014.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mitchell J. Keawe and Jennifer Hausler to possess the requisite qualifications to be nominated to the Statewide Council on Independent Living.

Your Committee received testimony in support of the nomination of Mitchell J. Keawe from the Department of Human Services, Statewide Independent Living Council of Hawaii, and eleven individuals.

Mr. Keawe is the Executive Director of the Hawaii Centers for Independent Living. In that capacity, he runs statewide programs for the independent needs of Hawaii's individuals with disabilities. He has also served on the boards of various nonprofit and community organizations, including the Ecumenical Council of Independent Catholic Bishops, Prevent Child Abuse Hawaii, and Aloha Festivals.

Testimony received by your Committee indicates that Mr. Keawe's management experience, community service, and positive attitude will be extremely beneficial to the Statewide Council on Independent Living.

Your Committee finds that the Rehabilitation Act of 1973, as amended, mandates the Statewide Independent Living Council to include the director of a center for independent living as a voting member of the Council. Mr. Keawe's appointment will fulfill this federal requirement. Your Committee also finds that Mr. Keawe's professional knowledge, experience, and work with individuals through his position as Executive Director of the Hawaii Centers for Independent Living will be an asset to the Statewide Council on Independent Living.

Your Committee received testimony in support of the nomination of Jennifer Hausler from the Department of Human Services; Statewide Independent Living Council of Hawaii; American Cancer Society Hawaii Pacific, Inc.; and six individuals.

Ms. Hausler worked in various positions with the State of Hawaii for thirty-five years. She also has extensive volunteer experience with nonprofit and community organizations. For over thirty years she has worked with Make Today Count, a support group for cancer patients and their families. She also served as the American Cancer Society's State Lead Ambassador for Government and Legislative Affairs. Ms. Hausler worked as a volunteer for the Statewide Independent Living Council before becoming a part-time staff member. In that capacity, she became familiar with the work and duties of the Council, assisted with meeting preparations, and assisted and coordinated training sessions for Council members.

Testimony received by your Committee indicates that Ms. Hausler is a caring and dedicated individual. She will serve as a passionate advocate for independent living and the integration of persons with disabilities into the community.

Your Committee finds that Ms. Hausler is well informed about the needs of individuals with disabilities and the programs that enable disabled individuals to live independent lives. Based on her work experience and history of volunteerism, your Committee is confident she will be an indispensable asset to the State Independent Living Council.

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 (Green).

**SCRep. 1324 Human Services on Gov. Msg. Nos. 618, 619, 620, 621, and 640**

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

- G.M. No. 618 JIM CISLER, for a term to expire 6-30-2015;
- G.M. No. 619 FRANCINE DUDOIT TAGUPA, for a term to expire 6-30-2015;
- G.M. No. 620 MARILYN SEELY, for a term to expire 6-30-2015;
- G.M. No. 621 EUDICE SCHICK, for a term to expire 6-30-2015; and
- G.M. No. 640 ANTHONY LENZER, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jim Cisler, Francine Dudoit-Tagupa, Marilyn Seely, Eudice Schick, and Anthony Lenzer to possess the requisite qualifications to be nominated to the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of the nomination of Jim Cisler from the Executive Office on Aging and four individuals.

Mr. Cisler earned an Associate of Arts degree in Journalism and an Associate of Science degree in Economics from Lane Community College. He is retired with almost forty years of experience in business, including advertising and promotions, public relations, operations, customer service, and sales support. Mr. Cisler was formerly a Customer Service Specialist at AmSan, LLC and was the owner and operator of Treehouse Restaurant in Eugene, Oregon for twenty years.

Mr. Cisler expressed through his personal statement that his goals as a member of the Policy Advisory Board for Elder Affairs will be to listen and learn, and then advise the Governor of the conditions, needs, and concerns of Hawaii's elder population. Testimony received by your Committee indicates that Mr. Cisler is intelligent, enthusiastic, and knowledgeable and will be a good advocate for Hawaii's seniors.

Your Committee finds that Mr. Cisler resides on the Island of Hawaii, thus ensuring broader representation and perspectives on the Board. His passion to make a positive contribution post retirement is a testament to his commitment to the work of the Policy Advisory Board for Elder Affairs.

Your Committee is confident that Mr. Cisler's solid background in business, public relations, and communications will be a valuable asset to the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of the nomination of Francine Dudoit-Tagupa from the Executive Office on Aging, Waikiki Health Center, and eighteen individuals.

Ms. Dudoit-Tagupa is a Registered Nurse and a Native Hawaiian Practitioner. She currently serves as Waikiki Health Center's Director of the Native Hawaiian Healing program, and provides services throughout the agency's network of clinics and outreach programs. She previously worked as the Chief Executive Officer at Malama Ka 'Ohana a Pau Loa and as a Registered Nurse at St. Francis Hospice.

Ms. Dudoit-Tagupa has worked on issues relating to health and aging for over three decades. She has empowered older adults to live productive lives through community-based organizations including Alu Like, Inc., Ke Ola Mamo, Waikiki Health Center, St. Francis Senior Program, and Molokai Retired Senior Volunteer Program. She was the past president of the advisory board of the Molokai Retired Senior Volunteer Program and is currently a Board member of the Waikiki Neighborhood Board and Na Hululei Kupuna Council.

Testimony received by your Committee indicates that Ms. Dudoit-Tagupa is highly committed to serving the needs of the elderly. She is compassionate and understanding, and has a unique ability to bring people of various backgrounds and perspectives together to achieve a common goal.

Ms. Dudoit-Tagupa expressed through her personal statement that she has devoted her career to valuing, honoring, and respecting Hawaii's kupuna. She is proud of her ability to collaborate and work in partnership with various state agencies on behalf of kupuna, and she looks forward to being a voice from the community on a statewide level.

Your Committee believes that Ms. Dudoit-Tagupa's nursing credentials, extensive background in Native Hawaiian healing, Hawaiian cultural education, advocacy for kupuna, chronic pain management, and experience with individual and family counseling make her uniquely qualified to serve on the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of the nomination of Marilyn Seely from the Executive Office on Aging, AARP Hawaii, Hawai'i Alliance for Retired Americans, and nine individuals.

Ms. Seely earned a Master of Public Health degree from the University of Hawaii and a Bachelor of Science degree from the State University of New York. She is a retired state government worker with a long professional history in gerontology. She was employed with the Executive Office on Aging for seventeen years, including eight years as Director. During this time, she worked closely with the Policy Advisory Board for Elder Affairs and therefore has firsthand knowledge about the Board and the mission and programs of the Executive Office on Aging.

Since her retirement from state government, Ms. Seely has volunteered for several organizations. She is involved in end-of-life care as a volunteer Board member for Hospice Hawaii and Kokua Mau. She also is on the Board of Directors of the Kokua Council and is a member of the Kupuna Caucus. She currently works part-time for the University of Hawaii Center on Aging as an aging specialist working in education, publicity, policy, and research areas.

Testimony received by your Committee indicates that Ms. Seely was well known and widely respected as a staunch and successful advocate for the elderly during her time as Director of the Executive Office on Aging. As Director, Ms. Seely, along with the Policy Advisory Board for Elder Affairs, developed numerous policies to address the physical, social, and health care needs of the aging.

Kupuna Care, the home and community-based service program for seniors, and Kokua Mau, Hawaii's hospice and palliative care organization, were implemented under her direction.

Ms. Seely expressed through her personal statement that she fully understands the role and responsibilities of the Policy Advisory Board for Elder Affairs, based on her previous hands-on experience with the Board. She is passionate about the work that needs to be done to support the aging population, and believes she is in a unique position to assist the Board and the Executive Office on Aging with the many complex issues that must be addressed on behalf of older adults in Hawaii.

Your Committee is confident that the State will fully benefit from having the expertise and commitment of Ms. Seely on the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of the nomination of Eudice Schick from the Executive Office on Aging, Senior Medicare Patrol (SMP Hawaii), City and County of Honolulu Department of Community Services, Hawaii County Council, AARP Hawaii, Hawai'i Alliance for Retired Americans, and nine individuals.

Ms. Schick earned her Associate's degree in Accounting from Burdett College of Business Administration. Prior to her retirement, she served as business office manager for a Honolulu law firm, and owned and operated her own business.

Ms. Schick has been a member of the Policy Advisory Board for Elder Affairs since 2007. As a member, she has held several leadership positions, including Chair of the Legislative Committee and Chair of the Board. As Chair of the Legislative Committee, she acts as an advisor to the Board's Recognition and Awards Committee and the Plans and Projects Committee.

Ms. Schick is an extremely active community member and volunteer. She volunteers for SMP Hawaii, the Volunteer Long-term Care Program and The Queen's Medical Center. Ms. Schick is also Chair of the Honolulu Committee on Aging and serves on the Advisory Council of the Retired and Senior Volunteer Program. She was recognized in 2010 as an outstanding senior volunteer at the 44th Annual Mayor's Senior Recognition Program.

Testimony received by your Committee indicates that Ms. Schick is a highly effective advocate for elders and a dedicated community volunteer. Decades of business and volunteer experience allow her to bring people together for a common goal. She is able to use her knowledge of issues related to seniors and her experience in working with state government to effect positive changes for Hawaii's aging population.

Ms. Schick expressed through her personal statement that she is looking forward to working closely with the Executive Office on Aging and advising the Executive Office on Aging on the myriad of issues it may face as the Office continues to take on the responsibilities of caring for Hawaii's kupuna and for persons with disabilities.

Your Committee finds that Ms. Schick is a tireless volunteer who has a deep understanding of the issues that the elderly face. The Policy Advisory Board for Elder Affairs will greatly benefit from her reappointment.

Your Committee received testimony in support of the nomination of Anthony Lenzer from the Executive Office on Aging, AARP Hawaii, Hawai'i Alliance for Retired Americans, Kupuna Education Center, The Mestizo Association, and four individuals.

Dr. Anthony Lenzer earned his Doctorate of Philosophy in Sociology from the University of Michigan and a degree in Education from Antioch College. Prior to his retirement, he was a faculty member at the University of Hawaii, where he developed a Gerontology Program at the University of Hawaii's School of Public Health. He also served as the first Director for the University of Hawaii's Center on Aging. Under Dr. Lenzer's leadership, the Center developed two certificate programs, provided faculty teaching and research awards, and created a PBS series and college telecourse. Dr. Lenzer was given the title of Professor Emeritus of Public Health upon his retirement. He also helped develop a chronic disease and aging program at the University of Michigan School of Public Health.

Since retiring, Dr. Lenzer has continued to actively participate in advocacy, public policy development, and community education on aging, long-term care, and death and dying. He serves as Vice President of the Hawaii Family Caregiver Coalition and Kokua Council and is a Board member of the Hawai'i Alliance for Retired Americans and the Hawaii Pacific Gerontological Society. He will also serve as an interim member of the Disability and Communication Access Board until June 30, 2011, and has been a community member of the Legislative Committee of the Policy Advisory Board for Elder Affairs for several years.

Testimony received by your Committee indicates that Dr. Lenzer has been a tireless advocate for active social change on behalf of Hawaii's kupuna. In his retirement, he continues to serve on organizations that strive to develop public policies and programs that will improve the lives of seniors in Hawaii.

Dr. Lenzer expressed through his personal statement that he sees the role of the Policy Advisory Board for Elder Affairs in two main areas. First, as advisors to the Executive Office on Aging, the Board should be a place for discussing plans, proposals, and legislation. Second, as an organization focused on advocacy, the Policy Advisory Board for Elder Affairs has developed a strong and effective program on behalf of Hawaii's older citizens, their families, and caregivers. Eventually he sees the Board broadening its activities - a move that will require coordination and cooperation with the disability community and its advocates. Dr. Lenzer is confident that, by virtue of his background and experience, he can contribute meaningfully to the mission of the Policy Advisory Board for Elder Affairs.

Your Committee finds that Dr. Lenzer's general background and extensive knowledge in the field of aging will be a tremendous asset to the Policy Advisory Board for Elder Affairs.

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, 4. Noes, none. Excused, none.

**SCRep. 1325 Human Services on H.C.R. No. 60**

The purpose and intent of this measure is to recognize April as Sexual Assault Awareness and Prevention Month.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Coalition Against Sexual Assault, The Sex Abuse Treatment Center, Child and Family Service, American Civil Liberties Union of Hawai'i, YWCA of Hawaii Island, and three individuals.

Your Committee finds that sexual violence impacts the lives of many adults and children in Hawaii. Your Committee further finds that violence in the form of intimate partner abuse, sexual assault, and stalking can have devastating emotional consequences that outlast the physical effects. Your Committee also finds that this measure emphasizes the importance of increasing the general public's awareness and support of agencies that provide services to sexual assault victims.

Your Committee has amended this measure by:

- (1) Adding two state agencies and a private entity to the list of recipients of certified copies of this 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 60, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 60, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 1326 Human Services on H.C.R. No. 309**

The purpose and intent of this measure is to recognize the second week of August of every year as "Hawaii State Assistance Dogs Week."

Your Committee received testimony in support of this measure from Hawaii Fi-Do Service Dogs and two individuals.

Your Committee finds that assistance dogs provide a wide spectrum of customized assistance to individuals with disabilities. Your Committee further finds that assistance dogs can help an individual with a disability have an enhanced sense of independence, safety, and security. Your Committee also finds this measure will raise awareness and educate the public about the benefits of these highly trained animals.

Your Committee has amended this measure by:

- (1) Amending its title for accuracy; 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 Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 309, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 309, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

**SCRep. 1327 Human Services on Gov. Msg. No. 722**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON FATHERHOOD

G.M. No. 722 RUSS S. AWAKUNI, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Russ S. Awakuni to possess the requisite qualifications to be nominated to the Commission on Fatherhood.

Your Committee received testimony in support of the nomination of Russ S. Awakuni from the Department of Human Services.

Mr. Awakuni earned a Juris Doctor from Loyola Law School in Los Angeles, California and a Bachelor of Business Administration in Finance from the University of Hawaii at Manoa. He is currently the Managing Attorney at the Legal Aid Society of Hawaii, Leeward office. Prior to joining the Legal Aid Society, Mr. Awakuni worked as a Deputy Prosecuting Attorney for the City and County of Honolulu, and later engaged in the private practice of law.

Mr. Awakuni is a member of the Access to Justice Subcommittee on Overcoming Barriers to Access to Justice and the Hawaii United Okinawa Association. He is the past President of the Young Lawyers Division of the Hawaii State Bar Association and a past Vice-Chair for the Nuuanu/Punchbowl Neighborhood Board.

Mr. Awakuni is the father of a nine-year-old son and therefore has first-hand experience in providing a stable, nurturing home and environment for a child. Mr. Awakuni indicated from his personal statement that he wishes to sit on the Commission on Fatherhood because he desires to help shape policy on issues related to fatherhood through education, advocacy, outreach, and public relations. He is confident that his background as an attorney with a local non-profit organization will be of great benefit to the Commission, especially in regards to issues surrounding children in the Family Court system.

Your Committee finds that Mr. Awakuni's extensive legal and community service experience will be a great asset to the 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. 1328 Human Services on Gov. Msg. Nos. 727 and 728**

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 727 ABELINA SHAW, for a term to expire 6-30-2015; and

G.M. No. 728 BEVERLY JEAN WITHINGTON, for a term to expire 6-30-2012.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Abelina Shaw and Beverly Jean Withington to possess the requisite qualifications to be nominated to the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of the nomination of Abelina Shaw from the Executive Office on Aging, Congress of Visayan Organizations, and one individual.

Ms. Shaw earned a Juris Doctor from the University of Hawaii William S. Richardson School of Law and a Master of Arts in Communication from the University of Hawaii. Ms. Shaw is currently an attorney in private practice. She has previous work experience with the City and County of Honolulu, including Chief of Staff to Mayor Jeremy Harris; Director of the Department of Community Services of the City and County of Honolulu; and First Deputy Corporation Counsel of the City and County of Honolulu. Ms. Shaw has also served as the Deputy Director of Health, Special Assistant to Governor Ariyoshi, and Deputy Attorney General.

Ms. Shaw has also served on various boards and community organizations, including the Kapiolani Hospital Health Foundation, Legacy Center of Hawaii, Mediation Center of the Pacific, and Hale Kipa. She is currently the Chair of the Board of Directors of the Filipino Community Center.

Testimony received by your Committee indicates that Ms. Shaw is hardworking, focused, and committed to her work. She displays admirable leadership ability, is a dedicated volunteer, and demonstrates deep compassion for the elderly.

Ms. Shaw expressed through her personal statement that her desire to serve on the Policy Advisory Board for Elder Affairs stems from her professional, legal, and personal interest in the programs and policies that promote and enhance the well-being of the elder population in Hawaii. She had direct experience in programs and services relating to the elderly as Deputy Director of Health and Director of the City and County of Honolulu's Department of Community Services, and her past and current volunteer work touch on matters impacting the elderly. She is confident that these collective experiences qualify her to provide community input on the Policy Advisory Board for Elder Affairs.

Your Committee finds that Ms. Shaw's extensive work and volunteer experience have given her a greater understanding of the issues faced by the elderly and their families. Your Committee is confident Ms. Shaw will be an asset to the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of the nomination of Beverly Jean Withington from the Executive Office on Aging and five individuals.

Ms. Withington was employed as a Registered Nurse at Honokaa Hospital and Hilo Hospital before changing careers. Ms. Withington earned a Juris Doctor from the University of Hawaii William S. Richardson School of Law and spent the first part of her legal career with the Hawaii County Office of the Corporation Counsel, Family Support Division. After her retirement from the County, Ms. Withington maintained a small private practice in family law. She also served as the East Hawaii Field Representative for United States Representative Mazie Hirono until December 2010. Ms. Withington has been involved in several community and professional organizations, including the Hawaii County Sub-area Health Counsel, the Board of Registration, and the Board of Directors for Hospice of Hilo. She is currently a member of the Advisory Board for the University of Hawaii at Hilo School of Nursing.

Testimony received by your Committee indicates that Ms. Withington is honest, responsible, and dependable. Through her work, she is very familiar with the needs of seniors in Hawaii. She is a caring individual who is deeply committed to community service.

Ms. Withington expressed through her personal statement that she believes her responsibility as a member of the Board will be to remain current and informed of issues in the community relating to the quality of life for seniors. Ms. Withington desires to be a positive voice for this population. She feels it is important to examine the present needs and challenges that face the elderly in Hawaii, while also being mindful of the future. As the population of the elderly in the State ages, their needs will continue to grow, and solutions to these issues must be addressed.

Your Committee finds that Ms. Withington's past experiences in appointed positions in Hawaii, her work history, and various community service activities demonstrate her ability to work with individuals of diverse backgrounds in pursuit of a common goal. Your Committee is confident that Ms. Withington's diverse skills and experience will make her a valuable asset to the Policy Advisory Board for Elder Affairs.

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 (Green).

**SCRep. 1329 Commerce and Consumer Protection on Gov. Msg. Nos. 596, 597, 598, and 599**

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 596 SWEE L. BERKEY, for a term to expire 6-30-2015;

G.M. No. 597 STEVEN J.T. CHOW, for a term to expire 6-30-2015;

G.M. No. 598 WARREN HIGA, for a term to expire 6-30-2015; and

G.M. No. 599 ALAN M. NAKAMURA, for a term to expire 6-30-2015. (Term amended to 6-30-2014 by GM789).

Your Committee has reviewed the personal statements and resumes submitted by the nominees and finds Swee L. Berkey, Steven J. T. Chow, Warren Higa, and Alan M. Nakamura to possess the requisite qualifications to be nominated to the Motor Vehicle Repair Industry Board.

Your Committee received testimony in support of the nomination of Swee L. Berkey from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that this nominee has worked as a law librarian for over twenty years and, in that capacity, has developed familiarity with the State's regulatory structure. Your Committee notes that this nominee has been appointed to serve in the capacity of a public member on the Motor Vehicle Repair Industry Board representing the interests of the public on Oahu. Your Committee, accordingly, finds that this nominee's independence from the industry regulated by the Motor Vehicle Repair Industry Board gives her the ability to objectively assess matters before the Board. Your Committee also finds that this nominee well understands the Board's function as a regulator and problem-solver for members of the industry and the public. Finally, your Committee finds that this nominee's knowledge of state laws and regulations, independence, and desire to serve the public qualify her to serve as a public member of the Motor Vehicle Repair Industry Board.

Your Committee received testimony in support of the nomination of Steven J. T. Chow from the Motor Vehicle Repair Industry Board.

Upon review of the testimony, your Committee finds that, through practicing law for more than twenty years, this nominee for reappointment to the Motor Vehicle Repair Industry Board has gained experience and knowledge of state laws and regulations. Further, your Committee finds that this nominee has been a reliable member in his first term on the Motor Vehicle Repair Industry Board and has addressed the issues before the Board even-handedly, balancing the interests of the public with the promotion of commerce. Your Committee notes that this nominee's services as past President and current Board member of the Hawaii State Bar Association, a long-time leader in Friends of Hickam, Inc., past President and current Board member of Prevent Child Abuse Hawaii, and as past Vice Chair and Board member of the Board of Chiropractic Examiners demonstrate leadership and a commitment to public service. Your Committee finds that this nominee's experience and knowledge qualify him to continue to serve as a public member of the Motor Vehicle Repair Industry Board.

Your Committee received testimony in support of the nomination of Warren Higa from the Department of Commerce and Consumer Affairs.

Your Committee finds that this nominee has broad experience in the motor vehicle repair industry and has worked in the capacities of mechanic, business owner, and supervisor. Your Committee notes that this nominee holds professional certifications and licenses in automotive and aviation repair including an Automotive Service Excellence certificate, FAA Airframe and Power Plant certificate, state mechanic's license, and make-specific training certificates. Your Committee also finds that this nominee's experience within the motor vehicle repair industry, including as a direct service provider, supervisor, and small business owner have given him first-hand experience not only with the technical aspects of the industry, but also with customer service and the perspective of consumers. Your Committee further finds that this nominee's training, education, and experience qualify him for appointment to the Motor Vehicle Repair Industry Board.

Your Committee received testimony in support of the nomination of Alan M. Nakamura from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that this nominee has more than thirty-five years of experience in the retail gasoline and automotive repair industries as a certified technician and as owner-manager of Kaimuki Auto Repair, formerly known as Kaimuki Shell. Your Committee notes that this nominee has been recognized for excellence in his industry: Kaimuki Auto Repair received the Honolulu Star-Advertiser's People's Choice Award – Best of the Best 2010 Recipient for Auto Repair. Your Committee further finds that, in addition to managing a successful small business, this nominee has demonstrated a long-standing commitment to public service as a member of the Kaimuki Business Professional Association; Board member, coach, and administrator with the American Youth Soccer Association; volunteer coach with the Special Olympics; and President of the Aina Haina Elementary School Parent Teacher Association. Your Committee finds that this nominee's professional experience and commitment to public service qualify him for nomination to the Motor Vehicle Repair Industry Board.

Your Committee finds that Swee L. Berkey, Warren Higa, and Alan M. Nakamura have been nominated for appointment, and Steven J.T. Chow has been nominated for reappointment to the Motor Vehicle Repair Industry Board based on their knowledge, experience, and commitment to public service.

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 (Slom).

**SCRep. 1330 Water, Land, and Housing on S.R. No. 110**

The purpose and intent of this measure is to convene a task force to develop a stream maintenance and flood hazard mitigation plan.

Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committee finds that the State Hazard Mitigation Forum, under the state Department of Defense, already performs many of the functions that this measure requests the task force to undertake. However, the State Hazard Mitigation Forum is not equipped to develop environmental, engineering, and functional solutions to address short- and long-term flooding issues.

Your Committee has amended this measure by:

- (1) Adopting amendments recommended by the Department of Land and Natural Resources, which delete all references to convening a task force to address flooding issues;
- (2) Adding language describing the composition and responsibilities of the existing State Hazard Mitigation Forum;
- (3) Requesting that the State Hazard Mitigation Forum study measures to mitigate risks associated with flood hazards and explore funding options to address the State's flood concerns;
- (4) Amending its title accordingly; 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 Water, Land, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 110, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 110, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Fukunaga, Tokuda).

**SCRep. 1331 Agriculture on Gov. Msg. Nos. 577, 578, and 579**

Recommending that the Senate advise and consent to the nominations of the following:

**BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION**

- G.M. No. 577 LETITIA UYEHARA, for a term to expire 6-30-2012;  
G.M. No. 578 SCOTT E. ENRIGHT, for a term to expire 6-30-2015; and  
G.M. No. 579 ALAN T. TAKEMOTO, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Letitia Uyehara, Scott E. Enright, and Alan T. Takemoto, to possess the requisite qualifications to be nominated to the Board of Directors of the Agribusiness Development Corporation.

Your Committee received testimony in support of the nomination of Letitia Uyehara from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Farm Bureau Federation; Pahio Development, Inc.; Hawaii Cattlemen's Council; Alluvion, Inc.; Hawaii Agriculture Research Center; W.H. Shipman, Limited; ILWU Local 142; Mikilua Poultry Farm, Inc.; Nalo Farms; Kauai County Farm Bureau; and five individuals.

Ms. Uyehara is currently the Director of Marketing and Special Programs for Armstrong Produce Ltd. She is a former Deputy Director and Communications Officer of the Department of Agriculture. Ms. Uyehara also served at the Department of Health as a Public Participation Officer and Hearings Officer for the Environmental Protection and Health Services Division. She then went on to become the Director of the Office of Environmental Quality Control.

Ms. Uyehara is a valued leader in Hawaii's agricultural industry and is well respected for her years of public service. She is extremely well versed in food safety issues. As Director of Marketing for Armstrong Produce, Ms. Uyehara was instrumental in making Armstrong Produce one of the first wholesalers to be food safety certified in Hawaii. She also helped to establish a farmer outreach program, along with the University of Hawaii, to inform and assist farmers in practicing good sanitation in their fields and packing areas to achieve greater food safety.

Ms. Uyehara's overall vision for the Agribusiness Development Corporation is to make agriculture a priority in Hawaii by establishing clear priorities for the Corporation and creating partnerships with the private sector to promote innovative agricultural projects.

Ms. Uyehara's understanding and knowledge of agriculture, garnered from her years of government and private sector experience, make her an ideal candidate to serve on the Board of Directors of the Agribusiness Development Corporation.

Your Committee received testimony in support of the nomination of Scott E. Enright from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Cattlemen's Council; Island Naturals; Volcano Island Honey Company, LLC; ITC

Water Management, Inc.; Hamakua North Hilo Agricultural Cooperative; ILWU Local 142; Democratic Party of Hawaii – Hawaii County Committee; Kauai County Farm Bureau; and ten individuals.

Mr. Enright started his agricultural career in the 1980s conducting biomass research on Molokai. He then went on to work for Hamakua Sugar Company, ultimately working as the company's Cultivation and Irrigation Superintendent during its final years of operation. When Hamakua Sugar closed its doors in 1996, Mr. Enright was a founding member of the O'okala Community Association which provided leadership to the community during that difficult time. He was also instrumental in developing a communal process to advocate for former sugar workers and others in the community.

Mr. Enright currently serves as Chair-Elect of the Environmental Management Commission of the County of Hawaii and as a Board member of the Hilo-Hamakua Community Development Corporation Board.

Mr. Enright has a comprehensive understanding of agricultural business and economics in Hawaii. He has a strong working knowledge of sustainable, multi-use agricultural models that encompass crop diversity, livestock management, forestry, waste-to-energy, and affordable worker housing.

Mr. Enright expressed to your Committee that the Agribusiness Development Corporation has the potential to provide the leadership necessary to support entrepreneurial farming ventures and agricultural innovation to improve food security and sustainability in the State.

Mr. Enright's diverse experience and proven leadership abilities make him a valuable asset to the Board of Directors of the Agribusiness Development Corporation.

Your Committee received testimony in support of the nomination of Alan T. Takemoto from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Cattlemen's Association; Hawaii Agriculture Research Center; Kauai County Farm Bureau; Hawaii Floriculture and Nursery Association; W.H. Shipman, Limited; Maui County Farm Bureau; Mikilua Poultry Farm, Inc.; Nalo Farms; Joy Gold Unlimited; Oahu Farm Bureau; Hawaii Farm Bureau Federation; Matsuda-Fukuyama Farms, Inc.; Hawaii Crop Improvement Association; The Chamber of Commerce of Hawaii; and five individuals.

Mr. Takemoto has a wide range of experience in the agricultural industry. He currently serves as the Community Affairs Manager for Monsanto Company where he is responsible for community outreach efforts. He is also responsible for monitoring legislation that affects the company's operations. For sixteen years, Mr. Takemoto worked in various capacities for the Hawaii Farm Bureau Federation, ultimately serving as its Executive Director for four years.

Mr. Takemoto has also served as a member of the City and County of Honolulu's Agricultural Development Task Force, City and County of Honolulu Clean Water and Natural Lands Commission, and the Board of Advisors of the University of Hawaii College of Tropical Agricultural and Human Resources.

Mr. Takemoto's vision for the Agribusiness Development Corporation is for the Corporation to be more proactive in addressing issues and projects that will create a more viable agricultural industry in the State. Mr. Takemoto believes the Corporation should expand its activities and efforts in all sectors of the agricultural industry and focus on business development and making more lands available to farmers.

Mr. Takemoto's extensive experience and dedication to the agricultural industry will serve him well as a Board member of the Agribusiness Development Corporation.

As affirmed by the records of votes of the members of your Committee on Agriculture 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, 2 (Chun Oakland, Dela Cruz).

**SCRep. 1332 Human Services on Gov. Msg. Nos. 612, 613, and 615**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 612 JOE D. CORDOVA, for a term to expire 6-30-2015;

G.M. No. 613 BERNADETTE L. KELIAA, for a term to expire 6-30-2015; and

G.M. No. 615 ROSELANI M. ROWE, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joe D. Cordova, Bernadette L. Keliiaa, and Roselani M. Rowe to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

The State Council on Developmental Disabilities' federal mandate, Public Law 106-402, determines the composition of the Council to ensure that all the stakeholders involved in the development, implementation, and use of developmental disability supports are represented. The law specifically requires that sixty percent of the membership of the Council be comprised of individuals with a developmental disability, their parents, or family members. Additionally, the following agencies are required to be on the Council: Department of Health; the agencies that administer funds provided under the Rehabilitation Act of 1973, the Individuals with Disabilities Education Act, the Older Americans Act of 1965, Titles V and XIX of the Social Security Act; the Protection and Advocacy Agency; the Centers for Excellence in Developmental Disability Education, Research, and Service; and agencies and private non-profit organizations concerned with services to individuals with developmental disabilities. Your Committee finds that the nominees meet the federal requirements for Council membership.

Your Committee received testimony in support of the nomination of Joe D. Cordova from the State Council on Developmental Disabilities, Ho‘opono Services for the Blind, and two individuals.

Mr. Cordova earned his Master of Arts in Guidance and Counseling from the University of New Mexico and a Bachelor of Science in Computer Science from New Mexico State University. Mr. Cordova has extensive work experience in the disability field. He is currently the Administrator of the Vocational Rehabilitation and Services for the Blind Division of the Hawaii Department of Human Services. His past work experience includes serving as a Regional Commissioner for Region V (Kansas City) and VII (Chicago), and the Director of the Division for the Blind and Visually Impaired, Rehabilitation Services Administration, Office of Special Education and Rehabilitative Services, United States Department of Education; Deputy Director, New Mexico Commission for the Blind; and Special Advisor to the Mayor of the City of Albuquerque, New Mexico, Liaison for Disability Affairs. Mr. Cordova is also a current member of the State Council on Developmental Disabilities.

Testimony received by your Committee indicates that Mr. Cordova consistently demonstrates his commitment to obtaining high quality employment outcomes, economic independence, and social integration for individuals with disabilities. He is a passionate advocate and is dedicated to creating opportunities for persons with disabilities so they can achieve their full potential.

Mr. Cordova indicated from his personal statement that he believes his role and responsibility as a member of the State Council on Developmental Disabilities will be to assist in guiding the development of state goals for serving individuals with developmental disabilities and assist the Council in advising the Governor, Legislature, and other governmental agencies regarding improvements to the coordination and delivery of services to individuals with developmental disabilities. Mr. Cordova indicated that he is committed to serving to the best of his ability on the Council, and he hopes to fairly represent the interests of Hawaii citizens with developmental disabilities.

Your Committee finds that Mr. Cordova’s reappointment would fulfill the federal requirement of having a representative from the agency that administers funds under the Rehabilitation Act of 1973. Your Committee also finds that Mr. Cordova’s extensive work experience and current position as Administrator of the Division of Vocational Rehabilitation will be of great benefit to the State Council on Developmental Disabilities.

Your Committee received testimony in support of the nomination of Bernadette L. Keliiaa from the State Council on Developmental Disabilities and two individuals.

Ms. Keliiaa is currently a member of the State Council on Developmental Disabilities. For the past several years, she has served as Co-Chair for the Council’s Community Supports Committee. She has also been an instrumental member of the Department of Health’s Developmental Disabilities Division Quality Assurance Subcommittee. Ms. Keliiaa graduated from the Council-sponsored Partners in Policymaking Leadership Academy, a program that provides education and training in current disability issues, information on best practices, and legislative and systems advocacy.

Testimony received by your Committee indicates that Ms. Keliiaa has a strong commitment to those with developmental disabilities. She has great determination and compassion, and is passionate about improving services for children and adults with developmental disabilities.

Ms. Keliiaa is the parent of a child with a developmental disability. According to her personal statement, Ms. Keliiaa’s son is at the top of her list of qualifications, as well as her primary motivation to continue serving on the State Council on Developmental Disabilities.

Your Committee finds that Ms. Keliiaa’s reappointment would fulfill the federal requirement of having parents of individuals with disabilities represented on the Council. Your Committee also finds that Ms. Keliiaa’s prior experience with the Council, her personal experience as a parent of a child with a developmental disability, her enthusiasm, and her dedication will continue to make her a valuable asset to the State Council on Developmental Disabilities.

Your Committee received testimony in support of the nomination of Roselani M. Rowe from the State Council on Developmental Disabilities, Learning Disabilities Association of Hawaii, and two individuals.

Ms. Rowe is currently a member of the State Council on Developmental Disabilities. She served as Council Chair for two years and is a member of the Council’s Employment and Education Committee. This committee addresses employment issues of individuals with developmental disabilities and the transition of individuals from high school to post-secondary education and employment. She also serves as the Education and Training Coordinator for the Learning Disabilities Association of Hawaii. Her current position allows her to design curriculum for educational advocacy and training support for families of children with disabilities.

Testimony received by your Committee indicates that Ms. Rowe’s energy, passion, and dedication ensure that students with disabilities are able to reach their potential and are contributing and productive adults. Her positive attitude has inspired families of children with disabilities to be proactive in their pursuit of creating successful outcomes.

Ms. Rowe is the sister of a family member with a developmental disability and a parent of a child with a disability. Ms. Rowe expressed through her personal statement that she desires to continue serving on the State Council on Developmental Disabilities because she would like to actively contribute her perspective as a family member of an individual with a disability, and in the process, impact Hawaii’s delivery of service and the needs of families who spend countless hours seeking assistance.

Your Committee finds that Ms. Rowe’s reappointment would fulfill the federal requirement of a family member of an individual with a developmental disability represented on the Council. Your Committee also recognizes Ms. Rowe’s current successful service on the Council and believes that she will continue to have much to offer in the future.

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, 4. Noes, none. Excused, none.

**SCRep. 1333 Transportation and International Affairs on Gov. Msg. No. 751**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 751 ERIC MATSUDA, for a term to expire 6-30-2014.

Your Committee has reviewed the personal history, resume, and statement by the nominee and finds Eric Matsuda to possess the requisite qualifications to be nominated to the Commission on Transportation.

Your Committee received testimony in support of the nominee from the Department of Transportation and one State Representative.

Eric Matsuda is a licensed Civil Engineer and Land Surveyor. He received a Bachelor of Science degree in Civil Engineering from the University of Hawaii at Manoa. Mr. Matsuda currently works with SSFM International, Inc., as Vice President of the Maui operations where he manages the Maui office and supervises and oversees civil engineering design and construction management services.

Your Committee finds that in addition to the nominee's impressive professional background and technical expertise, the nominee is also active in a number of professional and community organizations. The nominee is a member of the Hawaii Society of Professional Engineers, Maui Chapter; National Society of Professional Engineers; American Water Works Association; Japanese Cultural Society of Maui; and Kahului Hongwanji Mission.

Your Committee believes that the nominee's background, education, experience, and commitment to public service qualifies him for the position on the Commission on Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, 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 (Gabbard).

**SCRep. 1334 Human Services on Gov. Msg. Nos. 611, 614, 616, and 617**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 611 LANI BARTHOLOMEW, for a term to expire 6-30-2015;

G.M. No. 614 AARON M. KEMP, for a term to expire 6-30-2015;

G.M. No. 616 TIFFANY VARA, for a term to expire 6-30-2015; and

G.M. No. 617 JOSEPHINE C. WOLL, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Lani Bartholomew, Aaron M. Kemp, Tiffany Vara, and Josephine C. Woll to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

The State Council on Developmental Disabilities' federal mandate, Public Law 106-402, determines the composition of the Council to ensure that all stakeholders involved in the development, implementation, and use of developmental disability supports are represented. The law specifically requires that sixty percent of the membership of the Council be comprised of individuals with a developmental disability, their parents, or family members. Additionally, the following agencies are required to be on the Council: Department of Health; the agencies that administer funds provided under the Rehabilitation Act of 1973, the Individuals with Disabilities Education Act, the Older Americans Act of 1965, Titles V and XIX of the Social Security Act; the Protection and Advocacy Agency; the Centers for Excellence in Developmental Disability Education, Research, and Service; and agencies and private non-profit organizations concerned with services to individuals with developmental disabilities. Your Committee finds that the nominees meet the federal requirements for Council membership.

Your Committee received testimony in support of the nomination of Lani Bartholomew from the State Council on Developmental Disabilities, The Arc in Hawaii, and seven individuals.

Ms. Bartholomew served on the Council in the late 1980s but had to resign due to her work schedule. Over the past several years, Ms. Bartholomew has attended the State Council on Developmental Disabilities' annual Day at the Capitol event and recently joined the Self-Advocacy Advisory Council. She is a Job Empowerment Trainee with the Winners at Work Transitional Employment Program. She has also been an Instructor's Assistant in the Adult Day Program at The Arc in Hawaii. She has lived independently in The Arc in Hawaii apartments for the past twenty-nine years.

Testimony received by your Committee indicates that Ms. Bartholomew has a great understanding of issues faced by individuals with disabilities. She has great empathy for individuals who are less able to communicate and verbalize their wants and needs. Ms. Bartholomew has demonstrated to your Committee a strong motivation to utilize her efforts to make the community a better place for all.

Ms. Bartholomew indicated from her personal statement that she would like to serve on the Council because she is a person with disabilities and can be a voice for others who cannot communicate for themselves. She would like to work on the Council with other self-advocates, parents, and service providers to ensure that other people with disabilities have a better life.

Your Committee finds that Ms. Bartholomew's appointment would fulfill the federal requirement of having self-advocates represented on the Council. Your Committee also finds that Ms. Bartholomew's past work experience and experience living independently in the community would greatly assist the State Council on Developmental Disabilities in its activities to promote and increase employment opportunities and residential options for persons with developmental disabilities.

Your Committee received testimony in support of the nomination of Aaron M. Kemp from the State Council on Developmental Disabilities.

Mr. Kemp is an individual with a developmental disability who resides on Maui. He was appointed to the State Council on Developmental Disabilities on an interim basis in July 2010. He is a member of the Maui County Developmental Disabilities Committee, which serves as an advisory committee to the State Council on Developmental Disabilities.

Mr. Kemp is also a member of the State Council on Developmental Disabilities' Employment and Education Committee. He participates in discussions on how best to support people with developmental disabilities as they pursue postsecondary education, training, and employment opportunities.

Mr. Kemp indicated from his personal statement that he would like to serve on the Council because he often speaks with his friends on Maui and listens to their concerns, and would like to be able to help other people with disabilities. He values his past experience on the Council, and looks forward to changing policies that will allow people with developmental disabilities to live more independently.

Your Committee finds that Mr. Kemp's appointment would fulfill the federal requirement of having self-advocates represented on the Council. Your Committee also finds that his experience and perspective as a self-advocate will assist the Council in carrying out its activities to promote self-determination, independence, productivity, and integration for individuals with developmental disabilities.

Your Committee received testimony in support of the nomination of Tiffany Vara from the State Council on Developmental Disabilities, University of Hawai'i at Manoa Center on Disability Studies, Rehabilitation Hospital of the Pacific, Healthcare Association of Hawaii, and eight individuals.

Ms. Vara was appointed to the State Council on Developmental Disabilities on an interim basis in July 2010. She has been actively involved in various committees and boards in the community, including the Council's Health and Early Childhood Committee and the Developmental Disabilities Division's Outcome Planning Committee. She currently serves as an Advisory Board Member of the National Children's Study and on the National Family Advisory Board of the National Pediatric Acquired Brain Injury Plan/The Brain Project.

Ms. Vara has been a valuable member of the Health and Early Childhood Committee. She has brought to the attention of the Committee alternative methods of providing care to medically fragile children and their families. She has also contributed to the Health and Early Childhood Committee's work on improving health outcomes for individuals with developmental disabilities and has assisted with coordinating meetings and fostering discussions with hospital staff to increase awareness of the gynecological health needs of women with disabilities.

Testimony received by your Committee indicates Ms. Vara is a tireless volunteer and a sensitive, creative, reliable member of the community. She is a passionate advocate for children with disabilities and highly knowledgeable with regard to medical issues concerning children with disabilities.

Ms. Vara is the parent of a daughter with a brain injury. Ms. Vara expressed through her personal statement that one of her highest priorities as a member of the Council will be to ensure constructive, supportive, reliable ways to communicate with the developmentally disabled population and their families. As a member of the Council, she will serve as a voice of the developmentally disabled population and will strive to ensure that the actual needs and desires of these individuals are considered.

Your Committee finds that Ms. Vara's appointment would fulfill the federal requirement of having parents of individuals with developmental disabilities represented on the Council. Your Committee is confident that Ms. Vara's ongoing experience and perspective caring for her daughter, her passion for educating families and professionals on innovative practices, and her ability to communicate with health care providers and families will be a tremendous asset to the State Council on Developmental Disabilities.

Your Committee received testimony in support of the nomination of Josephine C. Woll from the State Council on Developmental Disabilities, University of Hawai'i at Manoa Center on Disability Studies, and Parents and Children Together.

Ms. Woll is a Registered Nurse by profession but has spent most of her career involved in early intervention services. She was the Director of Hawaii Easter Seal's Sultan School for thirteen years. The Early Intervention Program at Sultan School has been recognized as the premier program in Hawaii for infants and toddlers with disabilities and those at risk for disabilities. She has also served as a member of the Hawaii Early Intervention Coordinating Council for many years. As a parent, she was instrumental in founding a national organization called Family Voices, a family-led advocacy group that works to improve health care access for children with special health care needs.

Ms. Woll has been recognized on many occasions for her advocacy work on behalf of children with special needs, including the Council Service Award from the Hawaii Early Intervention Coordinating Council, and a Lifetime Achievement Award from the Special Parents Information Network. She was also recognized by the Legislature and the Governor in 2000 for her contributions in support of families and their children with special needs and for her work in support of special education.

Testimony received by your Committee indicates Ms. Woll has been a strong advocate over the last thirty years for children with special health needs in Hawaii. She has mentored countless families and supported them as they sought services for their children. She has proven her commitment to creating a responsive community environment of care for individuals with disabilities.

Ms. Woll is the parent of a daughter with developmental disabilities. Ms. Woll expressed through her personal statement that she welcomes the opportunity to serve on the Council because of its importance and service to those in the community who have developmental disabilities. She is confident that her extensive experience in the health and disabilities fields as a parent, consumer, and professional will allow her to bring insights to any Council deliberations.

Your Committee finds that Ms. Woll's appointment would fulfill the federal requirement of having parents of individuals with disabilities represented on the Council. Your Committee also finds that Ms. Woll's professional background and her extensive work experience in early intervention services would be a great asset for the Council in the areas of early childhood developmental and early identification for appropriate services.

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, 4. Noes, none. Excused, none.

**SCRep. 1335 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, and 771**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII AEROSPACE ADVISORY COMMITTEE

- G.M. No. 758 STEWART BURLEY, for a term to expire 6-30-2013;
- G.M. No. 759 LEEANN CRABBE, for a term to expire 6-30-2013;
- G.M. No. 760 STEPHEN DAY, for a term to expire 6-30-2013;
- G.M. No. 761 ROCKLIN GMEINER, for a term to expire 6-30-2013;
- G.M. No. 762 GALEN HO, for a term to expire 6-30-2013;
- G.M. No. 763 MICHAEL T. MABERRY, for a term to expire 6-30-2013;
- G.M. No. 764 MARK MCGUFFIE, for a term to expire 6-30-2013;
- G.M. No. 765 PETER MOUGINIS-MARK, for a term to expire 6-30-2013;
- G.M. No. 766 JAMES L. PASQUINO, for a term to expire 6-30-2013;
- G.M. No. 767 ELLIOT PULHAM, for a term to expire 6-30-2013;
- G.M. No. 768 PETER QUIGLEY, for a term to expire 6-30-2013;
- G.M. No. 769 STEVEN J. SKLADANEK, for a term to expire 6-30-2013;
- G.M. No. 770 DONALD STRANEY, for a term to expire 6-30-2013; and
- G.M. No. 771 DERRICK TSURUDA, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Stewart Burley, LeeAnn Crabbe, Stephen Day, Rocklin Gmeiner, Galen Ho, Michael T. Maberry, Mark McGuffie, Peter Mougini-Mark, James L. Pasquino, Elliot Pulham, Peter Quigley, Steven J. Skladanek, Donald Straney, and Derrick Tsuruda to possess the requisite qualifications to be nominated to the Hawaii Aerospace Advisory Committee.

Your Committee received testimony in support of Stewart Burley from the Department of Business, Economic Development, and Tourism.

Stewart Burley has attended more than fifty schools for supervisory, management, environmental law, and engineering, which were variously under the auspices of the United States Navy, Pacific Missile Range Facility, Pearl Harbor Naval Base, and Monterey Naval Post Graduate School. He served in the United States Navy from 1955 to 1961, during which he attended the United States Navy Guided Missile School and was assigned to Barking Sands in various positions involving the Regulus Guided Missile. The nominee received an Honorable discharge as a GS-5 (Guided Missileman 2nd class).

After naval service, Mr. Burley continued in various federal civil service positions at the Pacific Missile Range Facility from 1968 to 2004. His work involved defense missile operations. He is currently with Strategic Theories Unlimited, LLC, a consulting firm.

Your Committee notes from Mr. Burley's personal statement that he believes that Hawaii can become a leader in the space industry because of its geographic location, which gives Hawaii the ability to launch in the equatorial and polar directions.

Your Committee received testimony in support of LeeAnn Crabbe from the Department of Business, Economic Development, and Tourism.

LeeAnn Crabbe is Vice President, Development and Operations, and Chief Financial Officer of the Queen Lili'uokalani Trust. Prior to that, she was with the Kamehameha Schools as the Strategic Plan Facilitator and Core Planning Team Leader; Director, Budget and Financial Planning; Manager, Budget and Financial Reporting; Operations Manager, Financial Asset Division; and Assistant to the Director of Finance. The nominee also worked previously for Price Waterhouse in Honolulu as a Senior Tax Consultant and Staff Accountant, Audit and Tax Departments. She received a Bachelor of Science degree from the University of San Francisco and is a Certified Public Accountant licensed in Hawaii.

The nominee is active in community affairs, including holding memberships on the Board of Trustees of Kawaihāo Church, as Treasurer; Urban Land Institute; United States National Council; Hawaii Leeward Planning Conference; Hawaii Island Economic Development Board, as Chair; Lambda Alpha (international real estate economics society), as a Board member; Hawaii Business Magazine Black Book; and Alakea Corporate Tower Association of Apartment Owners, as Vice President.

Your Committee received testimony in support of Stephen Day from the Department of Business, Economic Development, and Tourism.

Stephen Day has over thirty years experience in sales, marketing, business strategy, and general management in the space, telecommunications, information technology, chemical, textiles, and electronics industries in the United States, European, and Japanese markets. Between 1991 and 2009, the nominee was Chief Executive Officer and founder of International Ventures Associates (IVA LTD.), a private consulting and investment company providing strategic advice and alliance/investment support for telecommunications, information technology, and software industries. Before founding IVA, LTD. in 1991, Mr. Day spent nine years at COMSAT in a variety of senior management positions, including Vice President, Corporate Development, and Vice President Ventures, where he directed the commercialization of COMSAT's technology through licensing, joint ventures, new business spin-offs, and technology relationships.

Stephen Day is a board member of a high growth software company; has been a member of two National Aeronautics and Space Administration external advisory boards; and is Chair of the Japan-United States Science, Technology, and Space Applications Programs organization. He is an Adjunct Professor for the Master of Business Administration program at the Kogod business school at American University, a member of the Corporation Board at the Woods Hole Oceanographic Institute, and a Board member of Comrise China.

Your Committee notes from the nominee's personal statement that future accomplishments of the Aerospace Advisory Committee would include providing outside guidance to promote a vibrant, focused, specialized aerospace industry in Hawaii that capitalizes on Hawaii's competitive advantages in geographic location, workforce skills, educational and information technology infrastructure, and climate.

Your Committee received testimony in support of Rocklin Gmeiner from the Department of Business, Economic Development, and Tourism.

Rocklin Gmeiner is a 1968 graduate of the United States Naval Academy and a graduate of the United States Naval Test Pilot School. An active private pilot, he has accumulated over seven thousand hours in more than forty various aircraft. He is a member of the Society of Experimental Test Pilots.

Currently, Mr. Gmeiner is the Director of Federal/Civil Programs for Raytheon Companies. He is responsible for air traffic control, information technology, homeland security, unmanned aircraft systems, and Raytheon Services for the federal government. His operation serves as the focal point for communications between the government and Raytheon representatives in the federal and civil segment of Raytheon Companies. Prior to his employment with Raytheon, the nominee was a Captain in the United States Navy as the Program Manager for Air Traffic Control, Identification, and Landing System.

Your Committee notes from the testimony of the nominee that the Aerospace Advisory Committee is important to the future of Hawaii as a tourist attraction and as the leading site for space travel experimentation, test, and launch. Members of the Aerospace Advisory Committee need to bring their expertise and business acumen to the Committee to develop near-term and future business and test and experimentation capabilities to the Hawaii aerospace industry. The nominee believes that the Committee should explore further business opportunities for Hawaii companies and aerospace opportunities for the State, in order to grow this segment of Hawaii's future in space exploration. In addition, the nominee notes that the Committee should be aware of and encourage air transportation capabilities that bring more tourists to the islands and establish Hawaii as a key air traffic hub.

Your Committee received testimony in support of Galen Ho from the Department of Business, Economic Development, and Tourism.

Galen Ho retired from BAE Systems Inc. in 2007, and is currently the sole proprietor of Galen Enterprise LLC, a management consultant company in Massachusetts that focuses on business development, project performance, strategic thinking and planning, risk assessment methodologies, leadership and mentoring development, systems engineering, and knowledge management processes.

Galen Ho has served in a variety of leadership positions. From 1997 to 1999, he was Chief Executive Officer of Lockheed Martin Tactical Systems, United Kingdom, and President of Helo Systems for Lockheed Martin Federal Systems.

Your Committee notes from the personal statement of the nominee that he has served in an interim capacity on the Aerospace Advisory committee. He has thirty-seven years of experience in the aerospace industry, which enables him to define a viable aerospace strategy for Hawaii.

Your Committee received testimony in support of Michael T. Maberry from the Department of Business, Economic Development, and Tourism.

Since 2002, Michael T. Maberry has been the Assistant Director of the University of Hawaii Institute for Astronomy. Mr. Maberry has also served as the Haleakala High Altitude Observatory Site Superintendent and Observatory Foreman. Mr. Maberry has also been a member of the Maui Economic Development Board since 2000.

In his capacity as the Assistant Director of the Institute for Astronomy, the nominee is responsible for a variety of tasks, such as external relations and planning, directing, and coordinating actions and approvals involving federal, state, and county governments and the community at large. He initiates, monitors, and conducts studies and surveys, and represents the Director's office in the monitoring and support of non-institute facilities and programs. Mr. Maberry is also responsible for planning and directing the Institute for Astronomy's technical, engineering, marketing, and promotional activities for astronomical research, education, outreach, and advanced technical developments, high-tech business opportunities, and community relations at the Maunakea and Haleakala



observatories. He negotiates contracts and agreements on behalf of the Director with industry, state, and federal agencies, including matters affecting the budget.

Your Committee notes from the personal statement of the nominee that he believes we must be responsive and vigilant in order to ensure that Hawaii is well poised to take maximum advantage of its unique location in the Pacific Ocean and on Earth to capture opportunities in the exciting, lucrative, and clean technology field of aerospace.

Your Committee received testimony in support of Mark McGuffie from the Department of Business, Economic Development, and Tourism; First Insurance Company of Hawaii, Ltd.; Hawaiian Electric Company, Inc.; Enterprise Honolulu, Oahu Economic Development Board; and one individual.

Mark McGuffie has been the Managing Director of Enterprise Honolulu since 2008. As Managing Director, he is responsible for promoting and assisting business development from local, national, and international sources in the areas of astronomy and aerospace, education, workforce development, environmental system design, renewable energy, food security, and agricultural development. Previously, he served as the Executive Director of the Hawaii Island Economic Development Board.

The nominee has a thirty-five year career managing international luxury hotel and resort development and operations in the United Kingdom, France, Canada, Singapore, and the United States. He has held the positions of General Manager of The Manele Bay Hotel on Lanai; Resident Manager of the Mauna Lani Bay Hotel and Bungalows; and Resident Manager of the United Nations Plaza Hotel in New York City.

Mr. McGuffie's current professional affiliations include serving on the Boards of the Hawaii Science and Technology Institute; Economic Development Alliance Hawaii; and Experimental Program to Stimulate Competitive Research, and as a member of the Statewide Committee, a National Science Foundation program. He is the founder of Ulumau, the Hawaii Island Leadership Series. He currently holds an interim appointment to the Hawaii Aerospace Advisory Committee.

Your Committee notes from the personal statement of the nominee that he wishes to contribute a statewide perspective of aerospace-related industries to the Committee and serve the people of Hawaii by helping further develop aerospace-related initiatives. He will champion aerospace development projects, including submission of a successful application of a Spaceport license, attract new ventures to invest in aerospace in Hawaii, support curricula development for relevant topics within education systems statewide, and provide a linkage between education systems and industry for workforce development.

Your Committee received testimony in support of Peter Mouginis-Mark from the Department of Business, Economic Development, and Tourism.

Peter Mouginis-Mark is currently the Director of the Hawaii Institute of Geophysics and Planetology, University of Hawaii at Manoa, as well as the Director of the Sustainability Initiative at the University of Hawaii at Manoa. He is presently an interim member of the Hawaii Aerospace Advisory Committee.

Dr. Mouginis-Mark has served on numerous committees of the National Aeronautics and Space Administration as well as faculty committees of the University of Hawaii at Manoa. The nominee has a distinguished record of scientific research and publication.

Your Committee notes from the personal statement of the nominee that he believes that Hawaii needs to broaden its economic base and create high technology jobs that will keep our students in the islands after graduation. Aerospace offers the possibility of creating jobs in fields such as engineering and computer software design, and in related training and education activities. As a long-term faculty member at the University of Hawaii at Manoa with a particular interest in space research and engineering, he hopes to recommend the means to develop these opportunities. In addition, he states that one of the most exciting opportunities to grow the aerospace industry in Hawaii is the development of our own launch capability (through the Pacific Missile Range Facility); the design and construction of small satellites (in collaboration with the National Aeronautics and Space Administration Ames Research Center); and the establishment of our own command and control center here on Oahu. These activities will create a number of high-technology positions, as well as serve as a magnet to keep the best and brightest of our graduating engineering, computer science, and research scientists in the islands.

Your Committee received testimony in support of James L. Pasquino from the Department of Business, Economic Development, and Tourism.

James L. Pasquino is a retired Colonel in the United States Air Force. He is currently the Director, Honolulu Field Office, of The Boeing Company, Hawaii, which assists the United States Military, United States National Guard, and United States Coast Guard in Hawaii in determining and meeting their current and future requirements. He also has prior experience as a Strategic Analyst for General Dynamics Information Technology in Virginia.

During his career in the Air Force, Colonel Pasquino served in a variety of positions, including as Chief, United States Air Force Support Team, National Geospatial-Intelligence Agency; Chief, International Affairs, Headquarters Pacific Air Forces, Hawaii; Commander, Johnston Atoll Air Base; Commander, Manpower and Innovation, Headquarters Pacific Air Forces, Hawaii; and Chief, Legislative Liaison, Headquarters United States Atlantic Command, Virginia. Colonel Pasquino is an aviator with three thousand flying hours at Grand Forks Air Force Base in North Dakota and at Barksdale Air Force Base in Louisiana.

Your Committee notes from the personal statement of the nominee, that his experience allows him to provide insights from a major aerospace industry leader that is currently evaluating Hawaii's environment for business opportunities. His role and responsibilities on the Committee are to pursue opportunities to expand and diversify aerospace development in Hawaii with a focus on providing opportunities for higher-paying technical jobs. His goal is for Hawaii to be recognized as a center of excellence in aerospace.

Your Committee received testimony in support of Elliot Pulham from the Department of Business, Economic Development, and Tourism.

Elliot Pulham served as Civilian Adviser to the Secretary of the Air Force and Chief of Staff of the Air Force. He has more than a decade of experience in strategic planning, policy setting, finance and investment management, business administration, major project management, and employee, customer, and stakeholder relationship management.

The nominee has been the Chief Executive Officer and member of the Board of Directors of The Space Foundation since 2001, and served previously as the Foundation's Executive Vice President. Mr. Pulham joined The Boeing Company, Seattle, in 1988 as Manager of Internal and External Communications for its Boeing Aerospace Company division, where he was responsible for developing communication and management strategies in support of classified and unclassified space and high-technology programs. From 1992-1994, he was Director of Public Affairs for Boeing Missiles and Space Division, Huntsville, Alabama, where he was primarily responsible to build a national network of contractor public affairs teams to support the National Aeronautics and Space Administration International Space Station Team, which earned the award of the Public Relations Society of America's Silver Anvil Award. He also served as Director of Public Affairs and Advertising for Boeing's \$20,000,000,000 Defense and Space business unit, and ended his service as part of the Corporate Merger Team that integrated the various business units following Boeing's acquisition of Rockwell International and Boeing's merger with McDonnell Douglas Corporation.

Your Committee notes from information submitted by the nominee that the nominee's vision is to lead a meaningful for-profit or nonprofit enterprise in Hawaii in a senior executive position that will leverage his strengths and experience in more than two decades of progressive executive leadership at the national and international levels. His objective is to combine his experience as chief executive officer of a leading international non-profit organization, as a board member of several prestigious national organizations, and as a former executive with one of the world's largest high-technology companies to deliver unprecedented business success and results for a Hawaii-based organization.

Your Committee received testimony in support of Peter Quigley from the Department of Business, Economic Development, and Tourism and one individual.

Peter Quigley is currently a Professor of English and the Associate Vice President of Academic Affairs of the University of Hawaii Community College System. Prior to that, he served in other academic posts at the University of Hawaii, including Chancellor of the University of Hawaii Leeward Community College.

Your Committee notes from the personal statement of the nominee that he has worked with aerospace and aviation programs, industries, students, donors, and faculty for twenty-two years as a Professor, Chair, and Dean at Embry Riddle University, an aviation and aerospace university, where he worked on many projects in aviation and aerospace engineering and computer science. He created programs in space physics and created the first security and intelligence program in the nation, which was especially necessary as aviation security became increasingly important. In addition, the nominee supported faculty grant writing for aerospace and aviation research such as remote sensing. He has directed an international conference on aviation communication.

Your Committee received testimony in support of Steven J. Skladanek from the Department of Business, Economic Development, and Tourism.

Steven J. Skladanek is currently the Marketing Director at Lockheed Martin Commercial Launch Services, serving as the initial and primary spokesman for Lockheed Martin Commercial Launch Services to market to potential Atlas customers and interested communities. He plans and coordinates strategies to enhance the marketability of Atlas.

The nominee has experience at Lockheed Martin Space Systems Company as Manager of Business Development, Government Relations Representative, and Systems Engineer. He was also with the management consulting firm of Booz Allen & Hamilton, where he assessed launch vehicle and launch site integration activities associated with various government space programs, such as UHF-FO, NLS, Space Station Freedom, and "Star Wars" spacecraft. Mr. Skladanek has actively participated in the aerospace industry for twenty-eight years in fields that include human spaceflight, commercial and government launch services, defense systems, and government relations.

Your Committee notes from the personal statement of the nominee that the Hawaii aerospace community is leading national discussions regarding future destinations with unmatched resources to enable exploration of other worlds. Hawaii is ideally located geographically and culturally to foster the international cooperation that will be required to achieve these goals. As an aerospace professional, he wishes to help Hawaii and the nation in creating the next great advancement in the exploration of space. His experience with Lockheed Martin enables him to have a diverse and global business perspective.

Your Committee received testimony in support of Donald Straney from the Department of Business, Economic Development, and Tourism.

Donald Straney is currently the Chancellor of the University of Hawaii at Hilo. His experience includes serving as Dean of the College of Science and Professor of Biological Sciences at the California State Polytechnic University, Pomona.

Dr. Straney has been a member of the National Science Foundation, Center for the Integration of Research, Teaching and Learning, National Advisory Board since 2003. Dr. Straney is also a member of the Graduate Research Training Grant Panel, Dissertation Improvement Grant Review Panel, and Biological Instrumentation Review Panel at the National Science Foundation.

Your Committee notes from the personal statement of the nominee that he welcomes the opportunity to advance aerospace development in Hawaii. Prior to becoming the Chancellor of the University of Hawaii at Hilo, he served as Dean of Science at California State Polytechnic University. Prior to that, he spent twenty-three years at Michigan State University, a university that consistently leads the nation in using applied science to advance the public good. He believes his professional experience in higher education and scientific research would bring valuable perspectives to the Hawaii Aerospace Advisory Committee and its mission.

Your Committee received testimony in support of Derrick Tsuruda from the Department of Business, Economic Development, and Tourism.

Derrick Tsuruda is a State Educational Specialist for Science for the Department of Education. The nominee is active in various school organizations in the Leeward district and coaches basketball at Leeward district schools. With his experience in public school teaching and education, Mr. Tsuruda can recommend scientific and educational strategies and policies as they pertain to the growth of the aerospace industry in Hawaii. Aerospace is a relevant field for students to apply what they have learned in the classroom, which is consistent with an emphasis on science, technology, engineering, and mathematics education (STEM).

Your Committee notes from the personal statement of the nominee that it is important that the Hawaii Aerospace Advisory Committee include people from various areas: the general aerospace industry, the aerospace industry specific to Hawaii, investment banking, economic development boards from our neighbor islands, and public school and post-secondary education. All areas have a stake in the present and future of the aerospace industry in Hawaii. As a State Educational Specialist for Science for the Department of Education, he brings a unique perspective. He is able to make the connections between what happens in the classroom in terms of content and curriculum, and the real-life skills that our graduates need to have in order to be successful in careers like those in the aerospace industry. He will collaborate with his post-secondary counterparts so that the momentum engendered in the secondary years is carried forward into college.

Your Committee believes that each nominee brings unique and outstanding credentials that can support the Hawaii Aerospace Advisory Committee's mandate under section 201-72.5, Hawaii Revised Statutes, to advise and assist the Legislature and state agencies in monitoring, assessing, and promoting aerospace development statewide, among other things.

As affirmed by the records of votes of the members of your Committee on Public Safety, Government Operations, 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, 3. Noes, none. Excused, 2 (Ryan, Slom).

**SCRep. 1336 Health on Gov. Msg. No. 643**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

G.M. No. 643 AMY DOFF, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by Amy Doff and finds that the nominee's experience in public health policy and management make her well-qualified for a position on the Health Planning Council, Hawaii County Subarea.

Your Committee received testimony in support of the nomination of Amy Doff from the Department of Health and three private citizens.

Ms. Doff has been a resident of the Big Island for the past nine years and has been actively involved in the community through her work with the Healthy Hawai'i Initiative Evaluation Team as a Graduate Research Assistant and other volunteer outreach work in the area of public health. Ms. Doff has a Bachelor of Arts degree in Anthropology from the University of Hawaii at Hilo and a Master of Public Health degree from the University of Hawaii at Manoa. From 2009 to 2010, she served as the Chair of Hui Ola Pono, an organization focused on the delivery of services, education, and training of health professionals and paraprofessionals within the University of Hawaii at Manoa School of Nursing and Dental Hygiene. Ms. Doff also possesses a strong research background with experience performing quantitative and qualitative data input and statistical analysis.

Ms. Doff has written and published numerous reports on various health-related topics such as creating active living communities, physical education, and nutrition education. She has demonstrated a passion for advocating for the health and well-being of Hawaii's rural, immigrant, and homeless populations, and Ms. Doff will bring a broad perspective in public health, particularly in the area of health policy, to the Health Planning Council, Hawaii County Subarea.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Nishihara, Wakai, Slom).

**SCRep. 1337 Health on Gov. Msg. No. 644**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF OPERATION PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 644 KEVIN NAKAMURA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by Kevin Nakamura and finds that Mr. Nakamura is a well-qualified nominee for the position on the Board of Certification of Operation Personnel in Wastewater Treatment Plants.

Your Committee received testimony in support of the nomination of Kevin Nakamura from the Department of Health, Hawai'i Water Environment Association, and five private citizens.

Mr. Nakamura has over twenty-one years of wastewater treatment plant experience. Mr. Nakamura holds a Grade IV Wastewater Treatment Plant Operator certificate and is currently a Wastewater Treatment Plant Operations Superintendent for Aqua Engineers,

Inc. In his current role, Mr. Nakamura supervises fourteen employees and is responsible for the overall management of the wastewater system, which includes the wastewater treatment plant and collection system for the Schofield Barracks Military Base. In his previous employment at the Division of Wastewater Treatment and Disposal at the Department of Environmental Services, City and County of Honolulu, Mr. Nakamura oversaw the work of four employees and planned, coordinated, and directed the long-range goals and objectives of a specific wastewater treatment region. Mr. Nakamura was also responsible for budget review and planning.

Mr. Nakamura has a Bachelors of Arts degree in History from the University of Hawaii at Manoa and has completed numerous statewide wastewater operator training courses. Mr. Nakamura is a member of the Hawaii Water Environment Association and will represent the Association on the Board. Mr. Nakamura's excellent work has not gone unnoticed. In 2001, Mr. Nakamura was named the Employee of the Quarter by the City and County of Honolulu Division of Wastewater Treatment and Disposal, and in 1996, he received the Association's William D. Hatfield Award, which is given to a wastewater treatment plant operator who has shown outstanding performance and professionalism.

Your Committee finds that Mr. Nakamura's technical and operational knowledge of wastewater treatment facilities will add value to the Board of Certification of Operation Personnel in Wastewater Treatment Plants.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Nishihara, Wakai, Slom).

**SCRep. 1338 Health on Gov. Msg. Nos. 705 and 706**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF HEALTH

G.M. No. 705 VINCENT LEE, for a term to expire 6-30-2015; and

G.M. No. 706 MARK YAMAKAWA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Vincent Lee and Mark Yamakawa to possess the requisite qualifications to be nominated to the Board of Health.

Your Committee received testimony in support of the nomination of Vincent Lee from the Department of Health, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, and three private citizens.

Upon review of the testimony, your Committee finds that Mr. Lee's health care, community programming, and public health experience qualifies him for appointment to the Board of Health.

Mr. Lee has more than forty years serving in the health care industry in multiple capacities, serving as a clinical social worker at the beginning of his career and advancing to a health care executive. Mr. Lee has worked in the private and public sectors, which has helped to further his understanding of public health issues in communities throughout the State. Mr. Lee currently serves as the Regional Chief Executive Officer of Leahi Hospital where he is responsible for executive leadership and ongoing management, including but not limited to planning, human resources management, quality control of health care, and fiscal management.

Throughout his career, Mr. Lee has been instrumental in the establishment and facilitation of numerous community hospital health initiatives that have served as effective models in the continuum of health care provisions for acute, nursing home, and community-based care. Mr. Lee has demonstrated a commitment to public service by serving on the Governor's Hawaii State Commission on Persons with Disabilities and chairing the State Emergency Medical Services Commission.

Mr. Lee has a Bachelor of Arts degree in Sociology from the University of Hawaii; a Master of Social Work degree from George Williams College; and a Master of Public Health degree from the University of Hawaii, School of Public Health.

Your Committee finds that Mr. Lee's extensive knowledge and experience in the health care field will make him a valuable member of the Board of Health.

Your Committee received testimony in support of the nomination of Mark Yamakawa from the Department of Health, Hawaii Government Employees Association, Healthcare Association of Hawaii, and three private citizens.

Upon review of the testimony, your Committee finds that Mr. Yamakawa's extensive experience in health care administration, planning, and systems development qualifies him for appointment to the Board of Health.

Mr. Yamakawa currently serves as the Executive Vice President/Chief Operating Officer at The Queen's Medical Center and has worked on various assignments throughout The Queen's Health Systems for over twenty-five years. In his capacity as Executive Vice President/Chief Operating Officer, Mr. Yamakawa is responsible for the operations of The Queen's Medical Center, which includes over one thousand physicians and nearly five thousand employees. Mr. Yamakawa also served as the President of The Queen's Development Corporation and the Vice President of Corporate Development for The Queen's Health Systems.

Mr. Yamakawa has a Bachelor of Science degree in Industrial Engineering and Operations Research from the University of California, Berkeley and a Master of Business Administration in Finance and Decision Sciences from the University of Hawaii at Manoa.

Mr. Yamakawa currently serves on the Board of Directors of Lanakila Pacific Foundation, Child and Family Service, CareResource Hawaii, University Health Alliance, and Diagnostic Laboratory Services, Inc.

Your Committee finds that Mr. Yamakawa is committed to improving the health of his community and the residents of the State as a whole and he will bring strong leadership to the Board of Health.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

**SCRep. 1339 Health on Gov. Msg. No. 707**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

G.M. No. 707 HEATHER LUSK, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Heather Lusk to possess the requisite qualifications to be nominated to the Hawaii Advisory Commission on Drug Abuse and Controlled Substances.

Your Committee received testimony in support of the nomination of Heather Lusk from the Department of Health, The Drug Policy Forum of Hawaii'i, Malama Pono Health Services, The Drug Policy Action Group, and six private citizens.

Upon review of the testimony, your Committee finds that Ms. Lusk's experience with drug prevention and substance abuse treatment services makes her well-qualified for appointment to the Hawaii'i Advisory Commission on Drug Abuse and Controlled Substances.

Ms. Lusk has extensive experience within the public health field. Ms. Lusk currently serves as the Hepatitis C Coordinator within the Department of Health where she develops and implements Hawaii's viral hepatitis prevention programs and implements the hepatitis C strategic plan for the State. Prior to assuming her current position, Ms. Lusk served as a Trainer at the California STD/HIV Prevention Training Center where she facilitated and evaluated trainings and workshops for health and social service providers.

Ms. Lusk's commitment to promoting awareness of blood-borne diseases has been demonstrated through her work conducting training courses, building a collaborative environment for health and social service providers, and fostering the integration of drug treatment and health services statewide.

Ms. Lusk has a Bachelor of Arts degree in Psychology from Michigan State University and currently serves on the Board of Directors of Harm Reduction Hawaii, Hawaii Immunization Coalition, and The Drug Policy Forum of Hawaii.

Ms. Lusk has worked with youth, active drug users, persons in substance abuse recovery, and incarcerated individuals and has been an active participant working with communities affected by drugs.

Your Committee finds that Ms. Lusk will bring critical knowledge of substance abuse-related issues 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, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

**SCRep. 1340 Health on Gov. Msg. Nos. 708 and 709**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 708 CHARLENE DARABAN, for a term to expire 6-30-2015; and

G.M. No. 709 THERESA MINAMI, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Charlene Daraban and Theresa Minami to possess the requisite qualifications to be nominated to the State Council on Mental Health.

Your Committee received testimony in support of the nomination of Charlene Daraban from the Department of Health and Hawaii'i Families as Allies.

Upon review of the testimony, your Committee finds that Ms. Daraban's experience working with families of children with mental health-related issues qualifies her for appointment to the State Council on Mental Health.

For over twenty years, Ms. Daraban has been an advocate for families of children with emotional or behavioral challenges. Ms. Daraban is currently a Consumer Family Relations Specialist for Hawaii'i Families As Allies, a nonprofit organization with a mission to support families of children with emotional or behavioral issues. In her current role, Ms. Daraban provides site visitation and supervision services, conducts staff training, and provides technical assistance and support services. Prior to assuming her current role, Ms. Daraban served as a Family Court Coordinator/Youth Program Assistant for Hawaii'i Families As Allies where she established and facilitated support groups to bring together members of families served by Child Welfare Services, Family Court, and juvenile justice agencies.

Ms. Daraban has been a strong advocate for children and families dealing with the struggles that emotional and behavioral disorders present, and your Committee finds that as a parent of a son facing mental health issues, she will bring much needed representation of this particular constituency to the State Council on Mental Health.

Your Committee received testimony in support of the nomination of Theresa Minami from the Department of Health, Department of Human Services, Mental Health America of Hawai'i, and one private citizen.

Upon review of the testimony, your Committee finds that Ms. Minami's experience in mental health, substance abuse, developmental disabilities, and domestic violence qualify her for appointment to the State Council on Mental Health.

Ms. Minami currently serves as an Assistant Program Administrator at the Department of Human Services, Child Welfare Services Branch. Prior to joining the Department of Human Services, Ms. Minami served as an Adjunct Instructor at Hawaii Pacific University's Department of Communication. Ms. Minami also worked as a Developmental Disabilities/Mental Retardation Medicaid Waiver Liaison and Program Specialist at the Department of Health's Developmental Disabilities Division, Case Management and Information Services Branch. During her tenure at the Department of Human Services, Ms. Minami participated with several interagency and community groups including the Child and Adolescent Mental Health Task Force, Transition Aged Youth Task Force, and the Hawai'i State Coalition Against Domestic Violence Oversight Body for the Strategic Statewide Plan implementation.

Ms. Minami has been instrumental in the implementation of the Department of Human Service's highly successful Differential Response System, which has significantly reduced the number of children in foster care through the enhanced assessment and provision of voluntary services to children and families at risk.

Ms. Minami has a Bachelor of Arts degree in Speech Communications from Colorado State University and a Master of Arts degree in Communication from Hawaii Pacific University.

Your Committee finds that Ms. Minami will bring the knowledge and experience gained from her extensive work in the public health sector to the State Council on Mental Health.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

**SCRep. 1341 Health on Gov. Msg. Nos. 710, 711, and 712**

Recommending that the Senate advise and consent to the nominations of the following:

**MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAI'I SERVICE AREA BOARD**

G.M. No. 710 ALICE L. BRATTON, for a term to expire 6-30-2015;

G.M. No. 711 CHRISTOPHER HOLSCHUH, for a term to expire 6-30-2015; and

G.M. No. 712 STACY KUWATA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Alice L. Bratton, Christopher Holschuh, and Stacy Kuwata to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Hawai'i Service Area Board.

Your Committee received testimony in support of the nomination of Alice L. Bratton from three private citizens.

Upon review of the testimony, your Committee finds that Ms. Bratton's mental health experience qualifies her for appointment to the Mental Health and Substance Abuse, Hawai'i Service Area Board.

Ms. Bratton currently serves as a Parent Partner at Hawaii Families As Allies where she is responsible for providing support to families with children who have emotional or behavioral challenges in North and West Hawaii through the use of workshops and support groups. Ms. Bratton also assists families in navigating through the often complex system of care. Ms. Bratton frequently collaborates with a variety of community stakeholders to facilitate trainings and networking opportunities for families and service providers.

Ms. Bratton has a Bachelor of Social Work degree from Indiana University and a Master of Arts degree in Teaching from the School for International Training. She is a Parent Co-Chair of the Kona Children's Community Council and a member of the North Hawaii Children's Community Council.

Your Committee finds that Ms. Bratton has been an effective supporter of parents of children with mental health needs, and her dedicated and constructive approach will be an asset to the Mental Health and Substance Abuse, Hawai'i Service Area Board.

Your Committee received testimony in support of the nomination of Christopher Holschuh from the Department of Health.

Upon review of the testimony, your Committee finds that Mr. Holschuh's experience in the customer service industry, coupled with his active participation within his community, qualifies him for appointment to the Mental Health and Substance Abuse, Hawai'i Service Area Board.

Mr. Holschuh has been a long-time resident of the Big Island, graduating from Hawaii Preparatory Academy and continuing on to a career in the customer service industry. Through his community involvement, Mr. Holschuh became a member of the Hale Oluea Clubhouse Advocacy Group, an adult mental health and addiction treatment organization. Mr. Holschuh is regularly involved in the organization's activities, including fundraising and community advocacy programming.

Your Committee finds that Mr. Holschuh will be a positive addition as a consumer representative to the Mental Health and Substance Abuse, Hawaii Service Area Board.

Your Committee received testimony in support of the nomination of Stacy Kuwata from the Department of Health.

Upon review of the testimony, your Committee finds that Mr. Kuwata's experience with respect to community outreach for mental health services qualifies him for appointment to the Mental Health and Substance Abuse, Hawai'i Service Area Board.

Mr. Kuwata is a graduate of the Kaimuki High School and the Kapiolani Community College. He has been an active member of the Kona Paradise Club House on the Big Island for the past five years and has served on the Advisory Board of the Kona Paradise Club, as well as the Board of Directors for the Hale Aikane program, a nonprofit organization that provides mental health treatment and crisis intervention services. As a member of the Kona Paradise Clubhouse, Mr. Kuwata has participated in numerous conferences and was instrumental in bringing a consumer perspective to the Big Island Transportation Coalition, a group charged with investigating the transportation challenges on the Big Island.

Your Committee finds that Mr. Kuwata's consumer advocacy work and understanding of the needs of mental health service recipients make him well-qualified for appointment to the Mental Health and Substance Abuse, Hawai'i Service Area Board.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

**SCRep. 1342 Health on Gov. Msg. Nos. 716, 717, and 718**

Recommending that the Senate advise and consent to the nominations of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 716 JODI ANN NAKAOKA, for a term to expire 6-30-2013;

G.M. No. 717 KATHLEEN ANN SUGAI, for a term to expire 6-30-2013; and

G.M. No. 718 ANITA L. TU'UA, for a term to expire 6-30-2014.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jodi Ann Nakaoka, Kathleen Ann Sugai, and Anita L. Tu'ua to possess the requisite qualifications to be nominated to the Radiologic Technology Board.

Your Committee received testimony in support of the nomination of Jodi Ann Nakaoka from the Department of Health and six private citizens.

Upon review of the testimony, your Committee finds that Ms. Nakaoka's experience in the radiologic technology field, along with her teaching credentials, makes her well-qualified for appointment to the Radiologic Technology Board.

Ms. Nakaoka has an Associate of Science degree in Radiologic Technology from Kapiolani Community College, a Bachelor of Arts degree in Biology from the University of Hawaii at Manoa, and a Master of Education degree from the University of Hawaii at Manoa.

Ms. Nakaoka has been a radiographer and mammographer for more than fifteen years and is currently the Program Director for the Radiologic Technology Program at the Kapiolani Community College and a Diagnostic/Screening Mammography Technologist at Wahiawa General Hospital. As Program Director, Ms. Nakaoka conducts all classroom instruction for the Program. Prior to her current role, Ms. Nakaoka served as the Clinical Coordinator for the Radiologic Technology Program.

Ms. Nakaoka's commitment to preserving and improving the quality of radiological technology services throughout the State is evidenced by her work educating future radiologic technologists and instructing on radiation safety. Your Committee finds that Ms. Nakaoka will bring a unique educational perspective to the Radiologic Technology Board.

Your Committee received testimony in support of the nomination of Kathleen Ann Sugai from the Department of Health.

Upon review of the testimony, your Committee finds that Ms. Sugai's background in radiology and mammography services make her well-qualified for appointment to the Radiologic Technology Board.

Ms. Sugai has worked in the radiologic technology field since the 1970s and is currently a Radiologic Technologist and Imaging Manager at The Queen's Medical Center and a Diagnostic/Screening Mammography Technologist at Wahiawa General Hospital. Ms. Sugai has served as the President of the Hawaii Society of Radiologic Technologists and is also a former member of the Radiologic Technology Board. She also provides specialized training for radiographers who want to become mammographers.

Your Committee finds that Ms. Sugai has made significant contributions in the field and her experience in radiography will be advantageous to the Radiologic Technology Board.

Your Committee received testimony in support of the nomination of Anita L. Tu'ua from the Department of Health.

Upon review of the testimony, your Committee finds that Ms. Tu'ua's experience in radiology and mammography qualify her for appointment to the Radiologic Technology Board.

Ms. Tu'ua has worked in the radiologic technology field since 1974 and is currently employed at the Wahiawa General Hospital as a Diagnostic/Screening Mammography Technologist and at The Queen's Medical Center as a Radiologic Technologist and Imaging Manager. She served previously on the Radiologic Technology Board in the 1970s. Her past employment experience includes general

radiology, computerized tomography, and research in the area of breast cancer detection. Ms. Tu'ua also provides specialized training for radiographers wishing to become mammographers.

Ms. Tu'ua has a Bachelor of Arts degree in Psychology from the University of Hawaii at Manoa and has traveled extensively to attend seminars on issues pertaining to the field of radiologic technology.

Your Committee finds that Ms. Tu'ua's background, extensive work experience, and knowledge of radiology will be beneficial to the Radiologic Technology Board.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

**SCRep. 1343 Health on Gov. Msg. Nos. 719, 720, and 721**

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 719 ALAN KIMURA, for a term to expire 6-30-2012;

G.M. No. 720 ZACHARY OCTAVIO, for a term to expire 6-30-2014; and

G.M. No. 721 KARLSON PUNG, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Alan Kimura, Zachary Octavio, and Karlson Pung to possess the requisite qualifications to be nominated to the Emergency Medical Services Advisory Committee.

Your Committee received testimony in support of the nomination of Alan Kimura from the Department of Health, American Medical Response, and one private citizen.

Upon review of the testimony, your Committee finds that Mr. Kimura's experience working within his community qualifies him for appointment to the Emergency Medical Services Advisory Committee.

Mr. Kimura is a former State Health Planning and Development Agency (SHPDA) Commissioner and Chairman. He served the country as a member of the United States Air Force and Hawaii Air National Guard. Throughout all of his positions, Mr. Kimura demonstrated a strong work ethic and leadership skills. One testifier also noted Mr. Kimura's positive contributions to group discussions and knowledge about the needs and resources of Kauai, which are qualities that will enable Mr. Kimura to effectively serve as a consumer representative for Kauai.

Your Committee finds that Mr. Kimura will bring an array of valuable community experiences to the Emergency Medical Services Advisory Committee.

Your Committee received testimony in support of the nomination of Zachary Octavio from the Department of Health.

Upon review of the testimony, your Committee finds that Mr. Octavio's experience with paramedic operations management qualifies him for appointment to the Emergency Medical Services Advisory Committee as the Allied Health representative.

Mr. Octavio currently serves as the Paramedic Operations Manager for American Medical Response where he is responsible for the day-to-day operations of its Kauai branch. Mr. Octavio has over twenty-eight years of experience in the emergency medical services industry, starting his career as an emergency medical technician with Kauai Veterans Memorial Hospital. Mr. Octavio is currently a member of the SHPDA Subarea Council and the EMSIPS Advisory Committee.

Your Committee finds that Mr. Octavio's emergency medical service knowledge will add valuable contributions to the Emergency Medical Services Advisory Committee.

Your Committee received testimony in support of the nomination of Karlson Pung from the Department of Health and American Medical Response.

Upon review of the testimony, your Committee finds that Mr. Pung's experience in the emergency medical services field qualifies him for appointment to the Emergency Medical Services Advisory Committee.

Mr. Pung has twenty years of experience in the emergency medical services industry. Mr. Pung is currently the Operations Manager for Hawaii County at American Medical Response where he plays a key role in employee relations and is a liaison between American Medical Response and the Hawaii County Fire Department. Mr. Pung continues to work occasionally in the field as a paramedic. He also serves on the SHPDA Sub-Area Council Board.

Your Committee finds that with his fourteen years of management experience and field work training, Mr. Pung will add valuable knowledge to the Emergency Medical Services Advisory Committee.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).



**SCRep. 1344 (Joint) Tourism and Education on H.C.R. No. 273**

The purpose of this measure is to request the School of Travel Industry Management at the University of Hawaii at Manoa to develop enhancements for the tourism-related capabilities of the University of Hawaii Economic Research Organization Data Portal, develop an online tutorial, and provide regular in-person training seminars to visitor industry professionals on how to use the Data Portal to assist in decision-making. The intent of this measure is to provide additional market analysis tools to assist industry professionals in making business decisions to further enhance Hawaii's tourism industry.

Your Committees received testimony in support of this measure from the University of Hawaii Economic Research Organization and the School of Travel Industry Management at the University of Hawaii at Manoa.

Your Committees find that the volatile nature of the travel and tourism industries requires that professionals in these fields have a clear understanding of market data and trends and how to use such data and trends in short- and long-term strategic business planning and management. This measure will provide system enhancements to assist industry professionals in the deliverance of quality tourism services and market planning. Your Committees also find that there is a need for greater efficiency with respect to the way travel-related data is entered and stored in order to prevent the duplication of services, streamline the data entry process, and save taxpayer money.

Accordingly, your Committees have amended this measure by:

- (1) Requesting the University of Hawaii Economic Research Organization, the Department of Business, Economic Development, and Tourism, and the Hawaii Tourism Authority to work together to examine ways to consolidate the data portals currently used to store and monitor tourism-related data in order to:
  - (A) Prevent the duplication of services;
  - (B) Eliminate wasteful spending that occurs at the taxpayers' expense; and
  - (C) Ensure that the data is stored and monitored in the most effective and cost-efficient manner for the State of Hawaii;
- (2) Requesting the University of Hawaii Economic Research Organization, the Department of Business, Economic Development, and Tourism, and the Hawaii Tourism Authority to submit a report to the Legislature no later than twenty days prior to the convening of the 2012 Regular Session summarizing their findings and recommendations on ways to consolidate the data portals;
- (3) Amending its title accordingly; and
- (4) 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 Tourism and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 273, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 273, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Chun Oakland, Nishihara).

**SCRep. 1345 Economic Development and Technology on Gov. Msg. Nos. 688 and 689**

Recommending that the Senate advise and consent to the nominations of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 688 MARY ANN MANAHAN, for a term to expire 6-30-2015; and

G.M. No. 689 SHARON SAKAMOTO, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mary Ann Manahan and Sharon Sakamoto to possess the requisite qualifications to be nominated to the Community-Based Economic Development Advisory Council.

Your Committee received testimony in support of the nomination of Mary Ann Manahan from the Department of Business, Economic Development, and Tourism; Hawaii Friends of Civil Rights; Nursing Advocates & Mentors, Inc.; Filipino Coalition for Solidarity; Filipino American Citizens League; United Filipino Council of Hawaii; Oahu Filipino Community Council; and one individual.

Mary Ann Manahan is a business and finance manager, most recently serving as Vice-President for AXA Advisors and prior to that position, as a Manager and Financial Services Associate at Prudential Financial, both in Honolulu. She was a 2008 member of the Million Dollar Round Table, an international, independent association of life insurance and financial services professionals from four hundred sixty-four companies in more than eighty nations and territories, and was also honored by the organization with the Rookie of the Year Award in 2007. She is a graduate of De La Salle University, Manila, Philippines, with a Bachelor of Science in Economics and Bachelor of Science in Finance.

Your Committee received testimony in support of the nomination of Sharon Sakamoto from the Department of Business, Economic Development, and Tourism; Hawaii Credit Union League; and University of Hawai'i Federal Credit Union.

Sharon Sakamoto is Vice President for Finance and Compliance at the University of Hawai'i Federal Credit Union, where she is responsible for strategic planning, including designing and implementing new products and services for members. She previously served in senior management positions at Hickam Federal Credit Union for over fifteen years and has over twenty-five years of accounting and financial experience. Ms. Sakamoto is a graduate of the University of Hawaii at Manoa with a Bachelor of Business

Administration and holds a Master of Business Administration with a concentration in Accounting and Information Systems from Claremont Graduate School. She has been licensed as a Certified Public Accountant in Hawaii since 1988.

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 (Solomon).

**SCRep. 1346 Economic Development and Technology on Gov. Msg. Nos. 585 and 696**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII STRATEGIC DEVELOPMENT CORPORATION

G.M. No. 585 KEIKI-PUA S. DANCIL, for a term to expire 6-30-2015; and

G.M. No. 696 JON WALLENSTROM, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Keiki-Pua S. Dancil and Jon Wallenstrom to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii'i Strategic Development Corporation.

Your Committee received testimony in support of the nomination of Keiki-Pua S. Dancil from the Hawaii Strategic Development Corporation, High Technology Development Corporation, Office of Hawaiian Affairs, Enterprise Honolulu, Oceanit, Puko'a Scientific, and one individual.

Keiki-Pua S. Dancil is President of the Hawaii Science and Technology Council and Chief Executive Officer of the Hawaii Science and Technology Institute, both of which are not-for-profit organizations with member companies representing science and technology businesses in Hawaii. Prior to that, she was Executive Vice President for Synedgen, Inc., and Hawaii Chitopure, Inc., companies focusing on commercial applications of biomaterials, and Director of Research and Development with Trex Enterprises Corporation in Hawaii and California. Ms. Dancil is a graduate of Santa Clara University, and holds a Doctor of Philosophy in Chemistry from the University of California, San Diego, and a Master of Business Administration from Harvard Business School. She is the author of numerous scientific publications and holds several biotechnology patents. Ms. Dancil is active in professional and community organizations, serving as a Board member of PBS Hawaii and as a Panelist and Participant of the Kamehameha Schools Bishop Estate Strategic Planning Committee.

Your Committee received testimony in support of the nomination of Jon Wallenstrom from the Hawaii Strategic Development Corporation, Hawaii Housing Finance and Development Corporation, Pacific Resource Partnership, Vitus Development LLC, and four individuals.

Jon Wallenstrom is the President of Forest City Hawaii, and is responsible for managing Forest City's partnership with the State of Hawaii to develop over 2,300 homes on the Island of Hawaii in a mixed-use, mixed-income project, which will bring approximately \$750,000,000 in new development to the State. The company is also developing two photovoltaic farms designed to add approximately four megawatts of renewable energy on the Hawaii grid, and Mr. Wallenstrom has extensive experience in the development of energy-efficiency projects in Hawaii as well as in the Washington, D.C. and mid-Atlantic areas. He holds a Bachelor of Arts from Princeton University and has won numerous awards in recognition of his design and historic renovation efforts. Mr. Wallenstrom is an active member of the Honolulu Urban Land Institute District Council, Hawaii Business Roundtable, and the Board of the Honolulu Theatre Center, among other professional and community organizations.

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.  
Record of votes for Gov. Msg. No. 585:  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

Signed by the Chair on behalf of the Committee.  
Record of votes for Gov. Msg. No. 696:  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1347 Economic Development and Technology on Gov. Msg. Nos. 543, 691, 692, 693, 694, and 695**

Recommending that the Senate advise and consent to the nominations of the following:

Board of Directors of the High Technology Development Corporation

G.M. No. 543 CRAIG I. NAKANISHI, for a term to expire 6-30-2015;

G.M. No. 691 JOHN F. MORTON, for a term to expire 6-30-2015;

G.M. No. 692 RACE A. RANDLE, for a term to expire 6-30-2014 (Term amended to 6-30-2015 by GM778);

G.M. No. 693 ASSUMPTA C. RAPOZA, for a term to expire 6-30-2014;

G.M. No. 694 RICHARD M. ROSENBLUM, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM789); and

G.M. No. 695 MICHAEL SCHMICKER, for a term to expire 6-30-2014.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Craig I. Nakanishi, John F. Morton, Race A. Randle, Assumpta C. Rapoza, Richard M. Rosenblum, and Michael Schmicker to possess the requisite qualifications to be nominated to the Board of Directors of the High Technology Development Corporation.

Your Committee received testimony in support of the nomination of Craig I. Nakanishi from the High Technology Development Corporation, Aluvion Energies, and three individuals.

Craig I. Nakanishi is an attorney with Rush Moore LLP, where he concentrates his practice in the areas of energy, public utilities, and business and real property transactions. Mr. Nakanishi is licensed to practice in Hawaii and California and has been named in the annual Best Lawyers in America - Energy since 2008. Prior to joining Rush Moore as a Partner in 2003, Mr. Nakanishi practiced law with the Los Angeles office of Jones Day, and was also a partner at the law firm of Goodsill Anderson, Quinn & Stifel and a partner at the law firm of Catalani Nakanishi & Caliboso. He is a graduate of the University of Hawaii and holds a Juris Doctorate from the University of California at Davis. His nomination is for reappointment to the Board of Directors of the High Technology Development Corporation.

Your Committee received testimony in support of the nomination of John F. Morton from the High Technology Development Corporation, University of Hawai'i System, and three individuals.

John F. Morton is Vice President for Community Colleges, University of Hawai'i System, where he is responsible for oversight of the seven community colleges and 25,000 students within the University of Hawai'i System, a position he has held since 2005. Prior to this, he served as Chancellor of Kapiolani Community College for over twenty years and has been a faculty member and administrator of the University of Hawai'i System since 1970. Dr. Morton holds Bachelor of Science and Master of Arts degrees from the University of Illinois, and a Doctorate of Philosophy from the University of Hawaii at Manoa. He is an active board member in numerous professional and community organizations and he was honored as the University of Hawaii's State Manager of the Year in 1999. Dr. Morton's nomination is for reappointment to the Board of Directors of the High Technology Development Corporation.

Your Committee received testimony in support of the nomination of Race A. Randle from the High Technology Development Corporation; Hawaii Housing Finance and Development Corporation; Hawaii Land Company; Forest City Hawaii; Group 70 International, Inc.; Kanihale Community Homestead Association and five individuals.

Race A. Randle is the Development Manager at Forest City Enterprises, where he focuses on new community development, public-private partnerships with the State of Hawaii, sustainability in design, and the company's non-military renewable energy projects. Prior to joining Forest City Enterprises in 2008, he was a project manager for multiple high priority projects and design development at Castle & Cooke Hawaii. Mr. Randle is a graduate of California Polytechnic State University, San Luis Obispo, California, with a Bachelor of Science in Civil Engineering and a Master of Business Administration, Finance and Management. He is active in numerous civic and professional organizations including the Chamber of Commerce of Hawaii, United States Green Building Council, and American Society of Civil Engineers, among others. Mr. Randle is a new appointment to the Board of Directors of the High Technology Development Corporation.

Your Committee received testimony in support of the nomination of Assumpta C. Rapoza from the High Technology Development Corporation; Hawaii Strategic Development Corporation; IMS, Inc.; and Marsh USA Inc.

Assumpta C. Rapoza is Director of Enterprise Risk Management at Hawaii Medical Service Association (HMSA), where she is responsible for oversight of the management of the insurance portfolio, contract and vendor management, and the Enterprise Risk Management Program. Prior to joining HMSA in 2003, she held information technology management positions in a number of industries in Hawaii, including telecommunications, health care, public accounting, and banking. Ms. Rapoza holds a Bachelor of Business Administration in Management Information Systems and a Master of Business Administration degree. She currently serves as the Chair of the Board of Directors of the High Technology Development Corporation and as the High Technology Development Corporation's representative on the Board of Directors of the Hawaii Strategic Development Corporation.

Your Committee received testimony in support of the nomination of Richard M. Rosenblum from the High Technology Development Corporation; Hawaiian Electric Industries, Inc.; and one individual.

Richard M. Rosenblum was named President and Chief Executive Officer and a member of the Board of Directors of Hawaiian Electric Company, Inc., in 2009. Prior to his retirement in 2008, he served as Senior Vice President of Generation and Chief Nuclear Officer for Southern California Edison, where he was responsible for all power-generating facilities. Mr. Rosenblum began his career at Southern California Edison in 1976 as an engineer and held various senior management positions during his more than thirty years with the company. He holds a Bachelor of Science and a Master of Science in Nuclear Engineering from Rensselaer Polytechnic University in New York. Mr. Rosenblum is active in business and civic organizations, including the Hawaii Employers Council and Hawaii Business Roundtable, among others. His nomination is for reappointment to the Board of Directors of the High Technology Development Corporation.

Your Committee received testimony in support of the nomination of Michael Schmicker from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; AIO; Aluvion Energies; Cardax Pharmaceuticals; Hawai'i Pacific Health; Bank of Hawaii Foundation; BDI Maritime; and two individuals.

Michael Schmicker is Vice President of Business Development at Pacific Marine, and Vice President of Marketing and Corporate Communications at Navatek, Ltd., a subsidiary of Pacific Marine, positions he has held since 1986. From 1997 through 2003, he also created, wrote, and edited the high technology Targeted Industries Growth Report (TIGR) newsletter sponsored by City Bank and published monthly in Hawaii Business Magazine, which focused on eight emerging growth industries in Hawaii. Prior to this, Mr. Schmicker was Editor of Hawaii Business Magazine, Associate Editor of East-West Perspectives Magazine, and was a freelance journalist in Southeast Asia. He holds a Bachelor of Arts from Maryknoll College, in Glen Ellen, Illinois, and a Master of Education

from the University of Hawaii at Manoa. Mr. Schmicker is a new appointment to the Board of Directors of the High Technology Development Corporation.

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.  
Record of votes for Gov. Msg. Nos. 543 and 692:  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

Signed by the Chair on behalf of the Committee.  
Record of votes for Gov. Msg. Nos. 691, 693, 694 and 695:  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1348 Economic Development and Technology on Gov. Msg. No. 608**

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 608 BARBARA SAROMINES-GANNE, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Barbara Saromines-Ganne to possess the requisite qualifications to be nominated to the State Foundation on Culture and the Arts Commission.

Your Committee received testimony in support of the nomination of Barbara Saromines-Ganne from the Department of Accounting and General Services; two members of the State Foundation on Culture and the Arts Commission; PBC Wholesalers, Inc.; Asian and Pacific Islander American Scholarship Fund; Honorary Consul of France in Honolulu; and seventeen individuals, including administrators and faculty of the University of Hawaii System.

Barbara Saromines-Ganne is a Professor of Art and Art History at Leeward Community College, where she has taught since 1968, serving as Chair of the Arts and Humanities Division from 1994-2000, and as the Art Discipline Coordinator for the Arts and Humanities Division since 2004. She holds a Bachelor of Arts in Art History/Sociology from the University of Buffalo and a Master of Arts in Asian Art History from the University of Hawaii. She has also studied Restoration at the Università Internazionale dell'Arte in Venice, Italy. Ms. Saromines-Ganne has led twelve "Great Museums of Europe" study abroad tours and for fourteen years worked as a professional tour manager in Europe for Insight International Tours during summer break periods. She is active in numerous art-affiliated activities and previously served as a judge for the State Foundation Acquisitions Committee.

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 (Solomon).

**SCRep. 1349 Economic Development and Technology on Gov. Msg. Nos. 540, 541, and 690**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I HISTORIC PLACES REVIEW BOARD

G.M. No. 540 GEORGE CASEN, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM575);

G.M. No. 541 GERALD L. DE MELLO, for a term to expire 6-30-2015; and

G.M. No. 690 ROBERT K. IOPA, for a term to expire 6-30-2014.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds George Casen, Gerald L. De Mello, and Robert K. Iopa to possess the requisite qualifications to be nominated to the Hawai'i Historic Places Review Board.

Your Committee received testimony in support of the nomination of George Casen from the Department of Land and Natural Resources, Caltrans, and seven individuals.

George Casen has seventeen years of experience as an architectural historian, seven of which included generalist environmental planning duties in organizations including the Hawaii Office of Environmental Quality Control, Department of Education, Historic Hawaii Foundation, California Department of Transportation, and Parsons Brinckerhoff in Orange, California. He is a graduate of the State University of New York at Stony Brook and has a Master of Science in Secondary Education and History from Long Island University, New York, and a Master of Urban and Regional Planning and a Graduate Certificate in Historic Preservation from the University of Hawaii at Manoa. Mr. Casen has served as a volunteer docent at Bishop Museum, and as an architectural historian, has prepared numerous determinations of eligibility for the National Register of Historic Places and is familiar with preparation and review of architectural history reports.

Your Committee received testimony in support of the nomination of Gerald L. De Mello from the Department of Land and Natural Resources, 'Imiloa Astronomy Center of Hawai'i, Hawaii Laborers-Employers Cooperation and Education Trust, and seven individuals.

Gerald L. De Mello is the Director of University Relations, University of Hawaii at Hilo, where he is responsible for communications and coordinating the dissemination of information relating to the University of Hawaii at Hilo operations, programs, research, and activities. Prior to this position, which he has held since 1991, Mr. De Mello served as Administrative Assistant to the Governor in the Governor's Liaison office for the County of Hawaii from 1987 to 1991, and taught at Hawaii Community College for fifteen years. He is a graduate of Eastern Washington State University and holds a Master of Arts in Sociology from the University of Hawaii at Manoa. Mr. De Mello is a former member of the Board of Land and Natural Resources, is currently a member of the Hawai'i Historical Society and is active in numerous community associations, including the Hawai'i Island Chamber of Commerce and Downtown Hilo Mainstreet Program.

Your Committee received testimony in support of the nomination of Robert K. Iopa from the Department of Land and Natural Resources, Historic Hawai'i Foundation, Native Books Na Mea Hawaii, and two individuals.

Robert K. Iopa is President and Principal of WCIT Architecture, a firm he established in 2000 and which was recognized in 2007 and 2008 as one of the top fifty fastest growing small businesses in the country by Entrepreneur Magazine. In addition, he is the Managing Member of two associated businesses, Makali'i LLC and Mea Makamae LLC. Mr. Iopa has participated in the development of projects throughout Asia, South America, the South Pacific, and Hawaii. He holds a Bachelor of Architecture from California Polytechnic State University in San Luis Obispo, California and is currently an Adjunct Professor and member of the Advisory Council of the School of Architecture, University of Hawaii at Manoa. Mr. Iopa is a member of AIA Honolulu, serving on the Board of Directors from 2001-2003, and is active in a wide range of professional and community organizations.

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.  
Record of votes for Gov. Msg. Nos. 540 and 541:  
Ayes, 3. Noes, none. Excused, 2 (Solomon, Slom).

Signed by the Chair on behalf of the Committee.  
Record of votes for Gov. Msg. No. 690:  
Ayes, 4. Noes, none. Excused, 1 (Solomon).

**SCRep. 1350 Education on Gov. Msg. No. 627**

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. 627 JAMES P. KARINS, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds James P. Karins to possess the requisite qualifications to be nominated to the Board of Directors of the Research Corporation of the University of Hawaii (RCUH).

Your Committee received testimony in support of the nomination of James P. Karins from United States Senator Daniel Akaka; the Governor; Executive Director of the Research Corporation of the University of Hawaii; Schlissel & Associates, LLC; Hawaii Science & Technology Council; High Technology Development Corporation; The Chamber of Commerce of Hawaii; Ikayzo, Inc.; and one individual.

Dr. Karins received his Bachelor of Science degree in Physics and Mathematics from the University at Albany, State University of New York. He went on to receive a Master of Science degree in Physics and his Doctor of Philosophy degree in Physics from the University at Albany, State University of New York. Dr. Karins is currently the President and Chairman of the Board of Actilytics, Inc., which he founded in 2009. As President of Actilytics, Inc., Dr. Karins is responsible for providing technical evaluations, designs, and prototypes to government agencies and defense contractors. Dr. Karins also provides programmatic support and management, as well as business advice and marketing strategies, to his clients. Prior to his work with Actilytics, Inc., Dr. Karins founded and served as President of Pukoa Scientific, LLC and Innovative Technical Solutions, Inc.

Dr. Karins has received numerous awards and accolades for his work. In 2003, he was commended by the Hawaii State Legislature for his contributions to the State as the founding President of Innovative Technical Solutions, Inc. He was named Pacific Business News' "Fastest 50 Winner" in 2008, 2009, and 2010.

Dr. Karins has published over fifty articles on a number of scientific issues, including semiconductor and optical fabrication techniques and infrared and hyperspectral optical systems. Dr. Karins has received five patents for his inventions.

Dr. Karins has been involved with research and development companies for his entire career. He has gained valuable leadership skills and has been responsible for identifying, pursuing, and winning over \$100,000,000 in federal research grants.

Dr. Karins believes RCUH can play a significant role in the State's efforts to recover from the current fiscal crisis and to mitigate future economic downturns. Dr. Karins expressed that research and innovation are the foundations for creating new businesses and jobs. As part of this goal, Dr. Karins would like to see the University of Hawaii increase its support for the development of new industries that are technology- and knowledge-based.

One of Dr. Karins' goals as a member of the Board of Directors of RCUH is to focus on successfully taking the research generated at the University of Hawaii and utilizing it at small businesses or creating new business to help the local economy. Dr. Karins believes RCUH's role is to develop the policies needed to develop a versatile business model not only to conduct research but to provide training to the local work force on the use of that research.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 1351 Education on Gov. Msg. No. 697**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII MEDICAL EDUCATION COUNCIL

G.M. No. 697 ARTHUR A. USHIJIMA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Arthur A. Ushijima to possess the requisite qualifications to be nominated to the Hawaii Medical Education Council.

Your Committee received testimony in support of the nomination of Arthur A. Ushijima from the Governor; Healthcare Association of Hawaii; Papa Ola Lokahi, the Native Hawaiian Health Board; and two individuals.

Mr. Ushijima received a Bachelor of Arts degree in Biology from Cornell College. He received his Master of Arts degree in Hospital and Health Administration from the University of Iowa. Mr. Ushijima is currently the President and Chief Executive Officer of The Queen's Health Systems and the President of The Queen's Medical Center.

Mr. Ushijima is involved with numerous community service and professional organizations. He is currently a Board member of VHA, Inc.; Hawaii Business Roundtable; Healthcare Association of Hawaii; Hawaii Residency Programs; and the University of Hawaii Foundation. Mr. Ushijima is a current member of the Hawaii Medical Education Council.

Mr. Ushijima testified that one of the greatest challenges facing the Hawaii Medical Education Council is addressing the shortage of physicians in the State. As Hawaii's population ages and demand for health care services increases, the State is facing a shortage in physicians and health care workers.

Mr. Ushijima testified that the Hawaii Medical Education Council has completed an assessment of the physician shortage in the State and will now be looking into specific programs and methods of implementation to recruit and retain physicians, nurses, and caregivers in order to meet the needs of Hawaii's aging population and rural communities.

Mr. Ushijima stated that it is important to develop a continuum of programs in graduate medical education to encourage graduating medical, nursing, and health care students to remain in Hawaii for training and practice. Mr. Ushijima expressed to your Committee that it is also important to encourage partnerships between JABSOM and the private sector to promote recruitment and retention of physicians in the State. For example, as part of his work with The Queen's Medical Center, Mr. Ushijima played an integral role in working the John A. Burns School of Medicine of the University of Hawaii (JABSOM) to develop a Cardiology Fellowship Program to address the need for more cardiologists in the State.

Based on Mr. Ushijima's wealth of experience, your Committee finds that Mr. Ushijima's continued work on the Hawaii Medical Education Council will benefit the health care community and the residents of the State.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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 (Kidani, Taniguchi).

**SCRep. 1352 Judiciary and Labor on Gov. Msg. No. 667**

Recommending that the Senate advise and consent to the nominations of the following:

CIRCUIT COURT OF THE SECOND CIRCUIT, STATE OF HAWAII

G.M. No. 667 RHONDA IWALANI LAI LOO, for a term to expire in ten years.

Your Committee has reviewed the personal history, Judicial Selection Commission Application Summary, and statement submitted by the appointee and finds Rhonda Iwalani Lai Loo to possess the requisite qualifications to be appointed to the Circuit Court of the Second Circuit, State of Hawaii.

Testimony in support of the appointment of Rhonda Iwalani Lai Loo was submitted by Circuit Court Judge Boyd P. Mossman (retired); Circuit Court Judge Riki May Amano (retired); Circuit Court Judge Eden Elizabeth Hifo (retired); Department of the Prosecuting Attorney, County of Maui; Police Department, County of Maui; Forensic Coordinator, Maui County; International Longshore & Warehouse Union; Maui Hotel & Lodging Association; Ulupalakua Ranch, Inc.; and numerous individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors (HSBA Board) found the appointee to be qualified for the position of Circuit Court Judge, Second Circuit Court, based on established criteria for determining the qualifications of judicial and executive appointments generally utilizing the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Those Guidelines include the following criteria, which are not exclusive: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and responsibilities and duties

required of the position for which the applicant has been appointed. The HSBA Board ratings system includes the categories of "qualified" and "not qualified".

Judge Rhonda Iwalani Lai Loo received her Bachelor of Arts degree from the University of Oregon and her Juris Doctor degree from the University of Hawaii William S. Richardson School of Law. From 1997 to the present, Judge Loo has served as a District Judge with the Second Circuit Court, where she presides over civil and criminal calendars and trials; handles arraignments, pleas, change of pleas, motions, and preliminary hearings; and reviews search warrants, informational charging packets, and temporary restraining orders. She also currently serves as the Deputy Chief Judge for the Second Circuit Court and has presided in Circuit Court on many occasions, including during ten criminal jury trials and one civil non-jury trial. From 1988 to 1997, she was a Deputy Prosecuting Attorney for the County of Maui. From 1987 to 1988, she was a law clerk for the Circuit Court Judge E. John McConnell.

Judge Loo has also been actively involved in the legal community, having served on the Executive Committee and the Charge Code Requirement Committee of the Hawaii State Trial Judges Association, the Special Committee on Judicial Performance, and the Second Circuit Court Per Diem Judge Review Committee, among others. Moreover, during her tenure on the District Court bench, she also led a group that worked on system-wide improvements relating to mentally ill defendants in criminal cases, helping to create a handbook of court forms to be used in the Second Judicial Circuit whenever a case involving a mentally ill defendant comes to the courts. She also established a specific calendar for mentally ill defendants and ensured that the calendar was covered whenever she was not available to cover it herself.

Judge Loo has a reputation within the legal community as a judge who is intelligent, impartial, responsible, caring, and patient. Colleagues and former colleagues praised Judge Loo's preparation for cases, her excellent judicial temperament, integrity, and legal knowledge. Moreover, testimony indicated that Judge Loo has a practical understanding of the law, that she is able to make quick and accurate rulings due to her extensive understanding of statutes and case law, and that she is able to efficiently handle a large case load while still protecting the rights of the parties.

Your Committee finds that, based on the testimony submitted on her behalf, Judge Rhonda Iwalani Lai Loo 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 Labor 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, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1353 Health on Gov. Msg. No. 713**

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. 713 BEN H. NELSON, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Ben H. Nelson to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Kauai Service Area Board.

Your Committee received testimony in support of the nomination of Ben H. Nelson from the Department of Health.

Upon review of the testimony, your Committee finds that Rev. Nelson's experience within the mental health community qualifies him for nomination to the Mental Health and Substance Abuse, Kaua'i Service Area Board.

Rev. Nelson is the current Rector and Senior Pastor in charge of parish administration, teaching, liturgical duties, and weekly preaching at the All Saints' Episcopal Church on the Island of Kauai. Prior to joining All Saints' Episcopal Church, Rev. Nelson served as the Associate Rector at St. Paul's Episcopal Church in Chattanooga, Tennessee. Originally from Mississippi, Rev. Nelson has served as a pastor at churches throughout Texas, Tennessee, and now Hawaii.

Rev. Nelson has a special interest in providing outreach services to people with mental illness living in recovery, and he is a strong advocate for educating the public to reduce the stigma associated with mental illness. He has worked extensively to ensure that the members of his parish and community who need mental health services receive proper care.

Rev. Nelson has a Bachelor of Arts degree in History from Millsaps College and a Master of Divinity degree from the University of the South School of Theology. He is currently seeking his Doctor of Ministry degree through the University of the South.

Your Committee finds that Rev. Nelson's commitment to serving others and helping those afflicted by mental illness will make him a strong advocate on the Mental Health and Substance Abuse, Kaua'i Service Area Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

**SCRep. 1354 Commerce and Consumer Protection on Gov. Msg. No. 584**

Recommending that the Senate advise and consent to the nominations of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 584 KENNETH M. HOVANIAN, for a term to expire 6-30-2014.

Your Committee has reviewed the personal statement and resume submitted by the nominee and finds Kenneth M. Hovanian to possess the requisite qualifications to be nominated to the Elevator Mechanics Licensing Board.

Your Committee received testimony in support of the nomination for the reappointment of Kenneth M. Hovanian to the Elevator Mechanics Licensing Board from the Elevator Mechanics Licensing Board.

Upon review of the testimony, your Committee finds that this nominee has worked as an elevator mechanic and a subcontractor within the elevator industry for over seventeen years. Your Committee further finds that in his current term on the Elevator Mechanics Licensing Board, this nominee has had an excellent meeting attendance record and has been an informative and active participant in discussions. Your Committee notes that this nominee has a clear vision for utilizing the Elevator Mechanics Licensing Board to promote public safety, high standards for licensure, and continuing education of licensees. Your Committee finally finds that this nominee's experience and enthusiasm for public service will allow him to continue to be an asset to the Elevator Mechanics Licensing Board.

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 (Solomon, Taniguchi, Slom).

**SCRep. 1355 Commerce and Consumer Protection on Gov. Msg. Nos. 595 and 670**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ACUPUNCTURE

G.M. No. 595 MIKE HASHIMOTO, for a term to expire 6-30-2015; and

G.M. No. 670 MICHAEL HOWDEN, for a term to expire 6-30-2015.

Your Committee has reviewed the curriculum vitae and personal statement submitted by Mike Hashimoto and the resume submitted by Michael Howden and finds the nominees to possess the requisite qualifications to be nominated to the Board of Acupuncture.

Your Committee received testimony in support of the nomination of Mike Hashimoto from the Board of Acupuncture.

Upon review of the testimony, your Committee finds that this nominee has been a licensed practitioner of acupuncture for twenty-five years, has practiced Oriental medicine for almost forty years, and additionally holds a license to practice massage and a diploma in Chinese Herbology. Your Committee notes that this nominee has served the public through one term as a member of the Board of Massage Therapy and two previous terms as a member, including one term as the Chair, of the Board of Acupuncture. Your Committee further finds that this nominee has been a leader in his profession, having participated in the Hawaii Acupuncture Association since 1976 in the capacities of Chair of the Continuing Education Committee, Treasurer, Secretary, and President. Your Committee finally finds that this nominee's extensive experience in the profession of acupuncture and Oriental medicine as well as with the State's regulatory system makes him uniquely qualified to serve effectively on the Board of Acupuncture.

Your Committee received testimony in support of the nomination of Michael Howden from the Board of Acupuncture.

Upon review of the testimony, your Committee finds that this nominee for reappointment to the Board of Acupuncture has been an exemplary member in his first term and was voted to the position of Chair by his peers on the Board. Your Committee also finds that this nominee has distinguished himself in the field of alternative and complementary medicine. Your Committee further finds that this nominee has been an effective Chair of the Board of Acupuncture by encouraging open discussion among members, even when a difference of opinion or controversy arises. Finally, your Committee finds that this nominee's interest in continued service, first-hand experience in the profession of acupuncture, and commitment to public service will continue to be an asset to the Board of Acupuncture.

Your Committee finds that Mike Hashimoto has been nominated for appointment and Michael Howden has been nominated for reappointment based on their knowledge, experience, and commitment to public service.

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 (Solomon, Taniguchi, Slom).

**SCRep. 1356 Commerce and Consumer Protection on Gov. Msg. Nos. 628, 674, and 676**

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. 628 PAUL MURRAY, for a term to expire 6-30-2015;

G.M. No. 674 DEMETRIO Y. CONSTANTINO, for a term to expire 6-30-2014; and

G.M. No. 676 JAY T. MANZANO, for a term to expire 6-30-2015.



Your Committee has reviewed the resumes submitted by Paul Murray, Demetrio Y. Constantino, and Jay T. Manzano and the personal statement submitted by Jay T. Manzano and finds the nominees to possess the requisite qualifications to be nominated to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Your Committee received testimony in support of the nomination of Paul Murray for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects from its Board.

Upon review of the testimony, your Committee finds that this nominee has demonstrated leadership in his first term on the Board; he currently serves as Chair and previously served as a member of the Rules Committee. Your Committee further finds that this nominee has worked in the surveying profession for thirty-five years including almost twenty years as a licensed surveyor. In that capacity, this nominee has developed familiarity with state and federal laws and rules regulating surveying. Your Committee finally finds that this nominee's first-hand experience and commitment to public service will allow him to continue to be an asset to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Your Committee received testimony in support of the nomination of Demetrio Y. Constantino to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects from the Department of Commerce and Consumer Affairs and two private individuals.

Upon review of the testimony, your Committee finds that this nominee is a licensed electrical contractor and a small business owner since 2001. Your Committee also finds that this nominee is active in service to his profession and the community through service as a member of the Board of Directors of the Oahu Contractors Association and by volunteering his time and professional expertise to Lanakila Meals on Wheels and Ho'opono Center for the Blind. Your Committee finally finds that this nominee's first-hand experience as an electrical licensee and business owner and his commitment to public service will make him an asset to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Your Committee received testimony in support of the nomination of Jay T. Manzano from the Department of Commerce and Consumer Affairs and three private individuals.

Upon review of the testimony, your Committee finds that this nominee has worked for over twenty-five years in the construction industry, advancing from the position of Project Engineer to his current position as President of a major general contracting firm. Your Committee notes that throughout his career in the construction industry, he has worked closely with professional engineers, architects, surveyors, and landscape architects. Your Committee finally finds that this nominee's experience with all of the industries under the Board's regulatory jurisdiction as well as his sincere desire to serve the public will make him an asset to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Your Committee finds that Paul Murray has been nominated for reappointment and Demetrio Y. Constantino and Jay T. Manzano have been nominated for appointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on their knowledge, experience, and commitment to public service.

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 (Solomon, Taniguchi, Slom).

**SCRep. 1357 Commerce and Consumer Protection on Gov. Msg. Nos. 633, 634, and 635**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 633 CRAIG K. HIRAI, for a term to expire 6-30-2015;

G.M. No. 634 NELSON LAU, for a term to expire 6-30-2015; and

G.M. No. 635 KEITH REGAN, for a term to expire 6-30-2015.

Your Committee has reviewed the personal statements and resumes submitted by the nominees and finds Craig K. Hirai, Nelson Lau, and Keith Regan to possess the requisite qualifications to be nominated to the State Board of Public Accountancy.

Your Committee received testimony in support of the nomination of Craig K. Hirai from the Department of Commerce and Consumer Affairs, Hawai'i Association of REALTORS, Hawaii Society of Certified Public Accountants, and eight private individuals.

Your Committee finds that this nominee has worked in the accounting and legal professions for over forty years and holds professional licenses as a certified public accountant, lawyer, and real estate broker. Your Committee notes that this nominee's professional practice focuses on federal and state income taxation, gift and estate taxation, tax and financial planning for businesses and individuals, business valuation, and litigation support. Your Committee further notes that this nominee is a leader in his profession having served as Chair of the Professional Ethics Committee of the Hawaii Society of Certified Professional Accountants; in various positions on the Government Affairs Committee of the Hawaii Association of REALTORS; as Chair of the Board of Directors of the Tax Foundation of Hawaii, State Tax Review Commission, State Rental Housing Trust Fund Advisory Commission, State Rental Housing Trust Fund Commission, and Tax Committee of the Hawaii Society of Certified Public Accountants; and as a member of the State Board of Taxation Review for the First Taxation District. Your Committee finds that this nominee's broad professional experience in the fields of accounting, law, and real estate; his first-hand knowledge of the State's regulatory system; and his record of service to his profession and the community will be an asset to the State Board of Public Accountancy.

Your Committee received testimony in support of the nomination of Nelson Lau from the State Board of Public Accountancy and three private individuals.

Your Committee finds that this nominee has been a licensed certified public accountant for twenty-five years and, in that capacity, has worked with publicly and privately held companies, state entities, regulated industries, and not-for-profit corporations in a variety of industries. Your Committee notes that this nominee's professional activities include auditing financial statements and internal controls, compliance audits, improvement advisory, and due diligence services. Your Committee also finds that this nominee's professional experience has allowed him to become familiar with state and federal regulatory structures. Your Committee further finds that, as an interim member of the State Board of Public Accountancy, this nominee has been an active contributor, an effective communicator, and a valuable representative who can help address the issues and challenges facing young licensees. Your Committee finds that this nominee's knowledge and insight qualify him for appointment to the State Board of Public Accountancy.

Your Committee received testimony in support of the nomination of Keith Regan from the State Board of Public Accountancy.

Your Committee finds that this nominee for reappointment to the State Board of Public Accountancy as a public member has extensive financial and management experience in the public and private sectors. Your Committee notes that in addition to holding high-level positions in private industry, this nominee has served as the Director of Finance and Managing Director of the County of Maui. Your Committee also finds that this nominee's professional background has afforded him extensive experience with and insight into governmental regulatory systems. Your Committee further finds that this nominee has long been a leader in the community having served as Vice-President and President of the Hawaiian Collectors Association; President of the Japanese Cultural Society of Maui, Kiwanis Club of Kahului, and Maui Young Business Roundtable; and as a member of the Knights of Columbus Council 8578 and the Maui Chamber of Commerce Government Action Committee. Your Committee finds that in his present term on the State Board of Public Accountancy, this nominee effectively articulates the perspective of public consumers of public accounting services and contributes enthusiasm for and dedication to the goals and objectives of the Board. Your Committee further finds that this nominee's professional expertise and dedication to public service make him a valuable contributing member of the State Board of Public Accountancy.

Your Committee finds that Craig K. Hirai and Nelson Lau have been nominated for appointment and Keith Regan has been nominated for reappointment to the State Board of Public Accountancy based on their knowledge, experience, and commitment to public service.

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 (Nishihara, Slom).

**SCRep. 1358 Commerce and Consumer Protection on Gov. Msg. No. 668**

Recommending that the Senate advise and consent to the nominations of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 668 GERALD J. SILVA, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM780).

Your Committee has reviewed the personal statement and resume submitted by the nominee and finds Gerald J. Silva to possess the requisite qualifications to be nominated to the Cable Advisory Committee.

Your Committee received testimony in support of the nomination of Gerald J. Silva from the Department of Commerce and Consumer Affairs, 'Olelo Community Media, and three private individuals.

Upon review of the testimony, your Committee finds that this nominee has built a career in public service and communications, having served as Chief Operating Officer of 'Olelo Community Media Television (formerly 'Olelo Community Television), Deputy Director of the Customer Services Department of the City and County of Honolulu, Special Assistant to the Director of the Customer Services Department of the City and County of Honolulu, Director of Communications and Special Projects for the Hawaii Tourism Authority, City Information Officer for the City and County of Honolulu, Special Assistant to the Managing Director of Honolulu, Chief of Staff of the Hawaii Army National Guard, Executive Director of the Honolulu-Pacific Federal Executive Board, and a management trainer for federal agencies. Your Committee also finds that this nominee's unique leadership experience in state, local, and federal government, in addition to his specific expertise in public media, qualifies him for appointment to the Cable Advisory Committee. Your Committee further finds that this nominee's prior service on the Cable Advisory Committee and as Chief Operating Officer of 'Olelo Community Television give him first-hand insight into the cable media regulatory system from the perspective of a regulator and a regulated industry. Finally, your Committee finds that this nominee's long career in the public sector demonstrates a commitment to public service and to the State of Hawaii.

Your Committee finds that Gerald J. Silva has been nominated for appointment to the Cable Advisory Committee 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 (Solomon, Taniguchi, Slom).

**SCRep. 1359 Commerce and Consumer Protection on Gov. Msg. No. 669**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAI'I HURRICANE RELIEF FUND

G.M. No. 669 STEPHEN M. TANNENBAUM, for a term to expire 6-30-2013.

Your Committee has reviewed the personal statement and curriculum vitae submitted by the nominee and finds Stephen M. Tannenbaum to possess the requisite qualifications to be nominated to the Board of Directors of the Hawai'i Hurricane Relief Fund.

Your Committee received testimony in support of the nomination of Stephen M. Tannenbaum from the Majority Leader of the House of Representatives, the Department of Commerce and Consumer Affairs, and four private individuals.

Your Committee finds that this nominee has over fifteen years of experience as a litigator including experience with securities, financial, insurance, real estate, regulatory compliance, and energy industry matters. Your Committee also finds that this nominee has demonstrated a commitment to public service by undertaking pro bono representation to:

- (1) Secure better treatment and conditions for minor wards at the Hawaii Youth Correctional Facility and address specific complaints of institutional abuse and discrimination;
- (2) Ensure that homeless public school children receive the benefits and services to which they are entitled under federal law;
- (3) Achieve equality of civil rights for same-sex couples;
- (4) Promote immigrant rights and obtain asylum for Chinese and Tibetan dissident refugees; and
- (5) Preserve the continued use of public space in Kapiolani Park for local artists and artisans.

Your Committee further finds that this nominee's record of achievement in the legal field, expertise in economic and insurance matters, and strong commitment to public service qualify him to serve on the Board of Directors of the Hawai'i Hurricane Relief Fund.

Your Committee finds that Stephen M. Tannenbaum has been nominated for appointment to the Board of Directors of the Hawai'i Hurricane Relief Fund 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 (Solomon, Taniguchi, Slom).

**SCRep. 1360 Commerce and Consumer Protection on Gov. Msg. No. 630**

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 630 STANLEY T. MASAMITSU, for a term to expire 6-30-2015.

Your Committee has reviewed the resume submitted by the nominee and finds Stanley T. Masamitsu to possess the requisite qualifications to be nominated to the Motor Vehicle Industry Licensing Board.

Your Committee received testimony in support of the nomination of Stanley T. Masamitsu from the Motor Vehicle Industry Licensing Board, Hawaii Automobile Dealers' Association, and two private individuals.

Upon review of the testimony, your Committee finds that this nominee for reappointment to the Motor Vehicle Industry Licensing Board as an industry member has worked in the motor vehicle industry for almost twenty years, including almost fifteen years as a licensee in Hawaii. Your Committee finds that this nominee is a leader in his industry, directing the operations of a successful business and serving the industry and the public. Your Committee notes that this nominee has served his industry as a Director and past President of the Hawaii Automobile Dealers' Association and has served the business community as a member and past Treasurer of the Hawaii Chapter of the Young Presidents Organization, Board member of Better Business Bureau Hawaii, and member of the Honolulu Japanese Chamber of Commerce. Your Committee further notes that this nominee has also served the community in a variety of volunteer positions with Leeward YMCA, Muscular Dystrophy Association Hawaii, and American Liver Foundation Hawaii. Your Committee further finds that in his prior term on the Motor Vehicle Industry Licensing Board, this nominee has actively participated in discussions by sharing his experiences about the motor vehicle industry. Your Committee finally finds that this nominee's industry experience and commitment to serving the public and the industry qualify him for reappointment to the Motor Vehicle Industry Licensing Board.

Your Committee finds that Stanley T. Masamitsu has been nominated for reappointment to the Motor Vehicle Industry Licensing 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, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 1361 Commerce and Consumer Protection on Gov. Msg. No. 632**

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. 632 ROBERT K. YANABU, for a term to expire 6-30-2014.

Your Committee has reviewed the personal statement and resume submitted by the nominee and finds Robert K. Yanabu to possess the requisite qualifications to be nominated to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Your Committee received testimony in support of the nomination of Robert K. Yanabu from the Department of Commerce and Consumer Affairs and one private individual.

Upon review of the testimony, your Committee finds that this nominee has worked as a civil and structural engineer for over forty years, including thirty-six years as a civil engineer with the County of Hawaii Department of Public Works. Your Committee also finds that this nominee's deep knowledge of his profession and first-hand experience with the operations of the regulatory system give him experience that will be valuable to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects. Your Committee further finds that this nominee has demonstrated a clear understanding of the role of the Board and a vision of utilizing the Board to reach out to young people to develop a talented and committed corps of professional engineers in the State. Your Committee finally finds that this nominee's first-hand experience as a civil and structural engineer and his commitment to public service will be an asset to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Your Committee finds that Robert K. Yanabu has been nominated to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects 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, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 1362 Commerce and Consumer Protection on Gov. Msg. No. 636**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 636 WENDY MIKI GLAUS, for a term to expire 6-30-2015. (Term amended to 6-30-2014 by GM789).

Your Committee has reviewed the resume submitted by the nominee and finds Wendy Miki Glaus to possess the requisite qualifications to be nominated to the State Board of Public Accountancy.

Your Committee received testimony from the State Board of Public Accountancy and one private individual.

Upon review of the testimony, your Committee finds that this nominee has been a licensed certified public accountant for almost fifteen years and has been a member of the Hawaii State Bar Association for over ten years. Your Committee finds that this nominee's professional experience as an accountant and lawyer has given her insight into and understanding of the legal and regulatory issues surrounding the practice of public accountancy. Your Committee further finds that this nominee has demonstrated a commitment to public service through service as Treasurer of the Board of Directors of the Domestic Violence Clearinghouse and Legal Hotline and as Treasurer of the William S. Richardson School of Law Alumni Association. Your Committee notes that this nominee has served as an interim member of the State Board of Public Accountancy since July of 2010 and has been a reliable member of the Board during that time. Your Committee finds that this nominee's professional experience and desire to contribute to the community qualify her for appointment to the State Board of Public Accountancy.

Your Committee finds that Wendy Miki Glaus has been nominated for appointment to the State Board of Public Accountancy 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 (Solomon, Taniguchi, Slom).

**SCRep. 1363 Commerce and Consumer Protection on Gov. Msg. No. 637**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF NURSING

G.M. No. 637 AMY S. MURAI, for a term to expire 6-30-2014.

Your Committee has reviewed the personal statement and resume submitted by the nominee and finds Amy S. Murai to possess the requisite qualifications to be nominated to the State Board of Nursing.

Your Committee received testimony in support of the nomination of Amy S. Murai for reappointment to the State Board of Nursing from the State Board of Nursing and seven private individuals.

Upon review of the testimony, your Committee finds that this nominee has been a Registered Nurse in this State for almost twenty-five years, including almost fifteen years as an Advanced Practice Registered Nurse. Your Committee further finds that, throughout her career, this nominee has worked in a variety of roles including women's health practitioner, research coordinator, and policy-maker in a variety of settings including the Department of Education, private organizations, and clinical practice. Your Committee finds that this nominee's clinical and management experience provides an important resource to the State Board of Nursing. Your Committee notes that this nominee currently serves on the Board as Co-Chair of its Practice Committee and, in that capacity, has been closely involved in the revision of the Board's administrative rules. Your Committee finally finds that confirming this nominee for reappointment to the Board will allow the Board to continue to receive the benefit of this nominee's expertise and guidance in its important work.

Your Committee finds that Amy S. Murai has been nominated for reappointment to the State Board of Nursing 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 (Solomon, Taniguchi, Slom).

**SCRep. 1364 Commerce and Consumer Protection on Gov. Msg. No. 671**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 671 MARK A. BAIRD, for a term to expire 6-30-2015.

Your Committee has reviewed the resume submitted by the nominee and finds Mark A. Baird to possess the requisite qualifications to be nominated to the Board of Dental Examiners.

Your Committee received testimony in support of the nomination of Mark A. Baird for reappointment to the Board of Dental Examiners from the Board of Dental Examiners.

Upon review of the testimony, your Committee finds that this nominee has been a licensed and practicing dentist for over thirty-five years. Your Committee further finds that this nominee has demonstrated a commitment to serving his profession through eight years of service as a Trustee representing Kauai on the Hawaii Dental Association Executive Board and to serving his community through twenty-five years of service to the Kapaa Rotary Club. Your Committee notes that in this nominee's current term on the Board of Dental Examiners, he has been a reliable and active participant and has shared valuable insights gained over the course of his career. Your Committee also finds that this nominee's professional experience and interest in serving the community will continue to be an asset to the Board of Dental Examiners.

Your Committee finds that Mark A. Baird has been nominated for reappointment to the Board of Dental 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 (Solomon, Taniguchi, Slom).

**SCRep. 1365 Commerce and Consumer Protection on Gov. Msg. Nos. 672 and 673**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 672 VERNON TA'A, for a term to expire 6-30-2015; and

G.M. No. 673 RANDALL T. KAYA, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM789).

Your Committee has reviewed the resume submitted by Vernon Ta'a and the personal statement and resume submitted by Randall T. Kaya and finds the nominees to possess the requisite qualifications to be nominated to the Board of Electricians and Plumbers.

Your Committee received testimony in support of the nomination of Vernon Ta'a from the Department of Commerce and Consumer Affairs; International Union of Elevator Constructors, Local 126; International Brotherhood of Electrical Workers Local Union 1186; Laborers' International Union of North America, Local 368; Hawaii Laborers-Employers Cooperation and Education Trust; Plumbing and Mechanical Contractors Association of Hawaii; Papa Ola Lokahi; Hawai'i Building and Trades Council of the AFL-CIO; Plumbers and Fitters Union, Local 675; and eleven private individuals.

Upon review of the testimony, your Committee finds that this nominee to serve as a public member of the Board of Electricians and Plumbers worked for fifteen years as a legislative advocate for the Plumbers and Fitters Union, Local 675. Your Committee further finds that this nominee has had a long and diverse career working in the areas of legislation, licensing, and contracts with government, labor, and management in the construction industry. Your Committee also finds that this nominee's professional experience has allowed him to develop broad knowledge of the issues facing the industries regulated by the Board of Electricians and Plumbers, particularly issues surrounding licensure of contractors and subcontractors. Your Committee finally finds that this nominee's extensive

experience with the law-making process and the construction industry will make him a valuable asset to the Board of Electricians and Plumbers.

Your Committee received testimony in support of the nomination of Randall T. Kaya from the Board of Electricians and Plumbers.

Upon review of the testimony, your Committee finds that this nominee to serve as a public member of the Board of Electricians and Plumbers is familiar with the role of a regulatory board member, having previously served for a term on the Board of Public Accountancy. Your Committee notes that this nominee is currently serving on the Board of Electricians and Plumbers as an interim appointee. Your Committee further finds that in his interim service, this nominee has proven to be a diligent and actively contributing member of the Board. Your Committee finally finds that this nominee has demonstrated his commitment to public service and to his community through service to his alma mater, Iolani School, as past President of the Alumni Association, member of the Board of Governors, President of the Iolani Ohana/Parent Teacher Association, member of the Leadership Committee, and coach to the school's Judo team.

Your Committee finds that Vernon Ta'a and Randall T. Kaya have been nominated for appointment to the Board of Electricians and Plumbers based on their knowledge, experience, and commitment to public service.

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 (Solomon, Taniguchi, Slom).

**SCRep. 1366 Commerce and Consumer Protection on Gov. Msg. Nos. 678, 679, 680, and 681**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I MEDICAL BOARD

G.M. No. 678 GERARD K. AKAKA, for a term to expire 6-30-2015;

G.M. No. 679 SHARON BINTLIFF, for a term to expire 6-30-2015;

G.M. No. 680 PETER C. CHIN, for a term to expire 6-30-2015; and

G.M. No. 681 PALASI PULETASI, for a term to expire 6-30-2015.

Your Committee has reviewed the personal statements and curriculum vitae received from Gerard K. Akaka and Sharon Bintliff, the curriculum vita received from Peter C. Chin, and the personal statement and resume received from Palasi Puletasi and finds the nominees to possess the requisite qualifications to be nominated to the Hawai'i Medical Board.

Your Committee received testimony in support of the nomination of Gerard K. Akaka from the Department of Commerce and Consumer Affairs, Papa Ola Lokahi, and four private individuals.

Upon review of the testimony, your Committee finds that this nominee has practiced as a licensed physician for almost twenty years, serving in clinical, academic, military, and supervisory capacities. Your Committee further finds that this nominee has been recognized by his peers for excellence within his profession as the recipient of The Queen's Medical Center's Outstanding Physician of the Year award for 2004, the Internal Medicine Residency Program of The Queen Emma Clinics' Excellence in Teaching Award for 2002-2003, and the University of Hawaii Ambulatory Medicine Transitional Residency Program's Award for Excellence in Teaching for 2003-2004. Your Committee notes that in his current position as Vice President of Medical Affairs and Chief Medical Officer at The Queen's Medical Center and in his former position as Medical Director of Waianae Coast Comprehensive Health Center, this nominee has become familiar with the laws and regulations that govern patient safety and quality of medical care in this State. Your Committee further notes that in his capacity as Medical Director of The Queen's Health System's Native Hawaiian Health Program, this nominee has gained first-hand experience that will allow him to contribute an important perspective to the Hawai'i Medical Board. Finally, your Committee finds that this nominee has demonstrated a commitment to public service through his work as a teacher and in community health centers.

Your Committee received testimony in support of the nomination of Sharon Bintliff from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that this nominee has practiced medicine in this State as an academic as well as in clinical and community practice for almost fifty years. Your Committee further finds that this nominee has served in various positions including Medical Director of Hale Ho'ola Hamakua Hospital, Medical Director of the Emergency Department of Kauai Veterans Memorial Hospital, Medical Director of Waimano Training School and Hospital, and Director of the Pediatric Birth Defects Center at the University of Hawaii that have allowed her to develop a first-hand understanding of the laws and rules that regulate the practice of medicine in Hawaii. Your Committee notes that this nominee has served her profession and community as past President and committee member of the Hawaii Chapter of the American College of Emergency Physicians, and as a member of the Board of Directors of North Hawaii Women and Children's Services and Planned Parenthood of Hawaii. Your Committee also finds that this nominee has extensive experience with the State's regulatory and public policy systems, having served as a board member of the Hawaii State Ethics Commission, a member of the Governor's State Planning Council of Disabilities, a member of the Governor's Commission on Children and Youth, and a delegate to the White House Conference on Families.

Your Committee received testimony in support of the nomination for reappointment of Peter C. Chin from the Hawai'i Medical Board.

Upon review of the testimony, your Committee finds that this nominee has practiced as a licensed physician for over twenty years, including clinical and academic practice in emergency medicine and anesthesiology. Your Committee notes that in his current term of

service on the Hawaii Medical Board, this nominee has been a reliable member who has offered guidance to the Board on issues ranging from physician sanctions to inquiries regarding major surgery. Your Committee further finds that this nominee has demonstrated a commitment to maintaining high standards in his profession through service on the Physician Peer Review Committee of Hawaii Medical Association and the Credentials Committee of Maui Memorial Medical Center. Your Committee finally finds that this nominee's background and professional expertise have given him a unique perspective that allows him to contribute necessary information to the Board's discussions and decision-making. Your Committee finally finds that this nominee's contributions throughout his current term have made him an asset to the Hawai'i Medical Board.

Your Committee received testimony in support of the nomination of Palasi Pulelani as a public member of the Hawai'i Medical Board from the Department of Commerce and Consumer Affairs and one private individual.

Your Committee finds that this nominee had a distinguished career in federal law enforcement as a special agent for seventeen years with the Department of Justice and Department of Homeland Security. Your Committee further finds that in that capacity, as well as in his education in law and criminal justice, this nominee developed first-hand knowledge of the legal and regulatory systems of the state and federal governments. Your Committee also finds that this nominee has demonstrated a strong commitment to community and public service through service in various capacities including as Vice Chair and Precinct President for his voting district, Vice President and member of the Board of Directors for Hawaii Civil Air Patrol, various positions in electoral campaigns, member of the Executive Board of Samoan Chiefs and Orators, and youth soccer coach. Your Committee notes that this nominee has first-hand experience as a consumer of health care services as a disabled person diagnosed with Guillain Barre Syndrome. Your Committee notes that this nominee has expressed that his diagnosis and experience with the health care system have led him to become an advocate for patients' rights to access adequate, safe, and efficient health care. Your Committee finds that this nominee's objective knowledge as well as his personal experience will allow him to effectively represent the interests of the public on the Hawai'i Medical Board.

Your Committee finds that Gerard K. Akaka, Sharon Bintliff, Peter C. Chin, and Palasi Pulelani have been nominated to the Hawaii Medical Board based on their knowledge, experience, and commitment to public service.

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 (Solomon, Taniguchi, Slom).

**SCRep. 1367 Commerce and Consumer Protection on Gov. Msg. Nos. 682, 683, and 684**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHARMACY

G.M. No. 682 CAROLYN S. J. MA, for a term to expire 6-30-2015;

G.M. No. 683 RICHARD MINATOYA, for a term to expire 6-30-2015; and

G.M. No. 684 ROSE TSENG, for a term to expire 6-30-2015.

Your Committee has reviewed the resumes submitted by Carolyn S. J. Ma, Richard Minatoya, and Rose Tseng as well as the personal statements submitted by Carolyn S. J. Ma and Rose Tseng and finds the nominees to possess the requisite qualifications to be nominated to the Board of Pharmacy.

Your Committee received testimony in support of the nomination of Carolyn S. J. Ma from the Department of Commerce and Consumer Affairs and five private individuals.

Your Committee finds that this nominee has more than twenty-five years of professional experience in the field of pharmacy, in clinical and academic practice, that has allowed her to develop a multi-faceted perspective on the issues surrounding the practice of pharmacy. Your Committee further finds that this nominee's wide-ranging experience in the field of pharmacy encompasses service in the public and private sectors, including service as Systems and Pharmacy Management Consultant for Stanford Hospitals and Clinics and San Mateo County (California) Hospital, Vice President of Clinical Operations for AmMed International Corporation in Hong Kong, and Clinical Pharmacy Specialist in Oncology at The Queen's Medical Center, before assuming her current position as Associate Professor, Department Chair, and Director of Pharmacy Practice Experiences at the College of Pharmacy at the University of Hawaii at Hilo. Your Committee finally finds that this nominee has demonstrated leadership and a commitment to service in her profession through membership on the Boards of Directors of the Hawaii Pharmacists Association, Pan Pacific Chapter of the American Cancer Society, and Hawaii Cancer Pain Management Consortium.

Your Committee received testimony in support of the nomination of Richard Minatoya from the Department of Commerce and Consumer Affairs and two individuals.

Your Committee finds that this nominee to serve as a public member of the Board of Pharmacy has extensive experience in the fields of law and government, having practiced as an attorney for almost twenty years, including almost ten years serving in the public sector as a Deputy Prosecuting Attorney with the Counties of Maui and Kauai, Deputy Corporation Counsel for the County of Maui, as a member of the County Council of the County of Kauai, and as a staff attorney and chief of staff in the State Legislature. Your Committee notes that this nominee has previously served as Chair of the Board of Pharmacy. Your Committee finds that this nominee's professional experience has given him special insight into the State's governmental and regulatory systems. Finally, your Committee finds that this nominee has demonstrated a commitment to community service through membership on the Boards of Directors of the Kiwanis Club of Kahului, University of Southern California Hawaii Alumni Club, and Hongwanji Mission as well as membership in the Kiwanis Club of Kauai and Kauai Jaycees and as a Scoutmaster of Troop 83 of the Boy Scouts of America.

Your Committee received testimony in support of the nomination of Rose Tseng from the office of Senator Daniel K. Inouye, the Department of Commerce and Consumer Affairs, and three private individuals.

Your Committee finds that this nominee to serve as a public member of the Board of Pharmacy has extensive experience in academia, including as Chancellor of the University of Hawaii at Hilo, where she was instrumental in establishing the College of Pharmacy. Your Committee notes that during her tenure at the University of Hawaii at Hilo, this nominee also oversaw the selection of Mauna Kea as the site for the Thirty-Meter Telescope, bringing \$28,000,000 in National Aeronautics and Space Administration funding to the State for the Imiloa Astronomy Center of Hawaii, and bringing the National Science Foundation's Experimental Program to Stimulate Competitive Research to Hawaii. Your Committee notes that prior to her tenure at University of Hawaii at Hilo, this nominee served as Chancellor and Chief Executive Officer of the West Valley College/Mission College District in Silicon Valley, and for twenty years as a Professor, Department Chair, and Dean of the College of Applied Arts and Sciences at San Jose State University. Your Committee further finds that this nominee has been recognized for her service and leadership through numerous awards and honors including honorary doctorates from Josai International University of Japan and China Medical University, Woman of Distinction from the Girl Scout Council of Hawaii, the Athena Award given to women in business, the Island Business Model Award, Statewide Role Model Woman of the Year from the California State Legislature, an a commendation for her achievements from the White House.

Your Committee finds that Carolyn S. J. Ma, Richard Minatoya, and Rose Tseng have been nominated for appointment to the Board of Pharmacy based on their knowledge, experience, and commitment to public service.

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 (Solomon, Taniguchi, Slom).

**SCRep. 1368 Commerce and Consumer Protection on Gov. Msg. No. 685**

Recommending that the Senate advise and consent to the nominations of the following:

**BOARD OF EXAMINERS IN OPTOMETRY**

G.M. No. 685 GEOFFREY REYNOLDS, for a term to expire 6-30-2014 (Term amended to 6-30-2015 by GM780).

Your Committee has reviewed the personal statement and resume submitted by the nominee and finds Geoffrey Reynolds to possess the requisite qualifications to be nominated to the Board of Examiners in Optometry.

Your Committee received testimony in support of the nomination of Geoffrey Reynolds from the Department of Commerce and Consumer Affairs and the Hawaii Optometric Association.

Upon review of the testimony, your Committee finds that this nominee has practiced as a licensed optometrist for more than thirteen years in clinical and academic settings. Your Committee also finds that this nominee's professional experience includes practice in a private family-owned practice, a larger clinical setting, as an Adjunct Clinical Professor for the Pacific University College of Optometry, as a medical staff vision consultant for the University of Hawaii's Athletics Division, and as a Fellow of the American Academy of Optometry. Your Committee further finds that this nominee has demonstrated a commitment to his profession through service as past Vice President and Oahu Director and current Convention Chairperson of the Hawaii Optometric Association. Your Committee notes that this nominee has been recognized for excellence in his profession, having received numerous awards including the Nick Meneakis Award for Pharmacology and Disease, Cal-State Fullerton Outstanding Clinician Award, and the 2003 Hawaii Optometric Association's Young O.D. Award. Your Committee finally finds that this nominee's experience and accomplishments within his profession will allow him to be a valuable contributor to the Board of Examiners in Optometry.

Your Committee finds that Geoffrey Reynolds has been nominated to the Board of Examiners in Optometry 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 (Solomon, Taniguchi, Slom).

**SCRep. 1369 Commerce and Consumer Protection on Gov. Msg. No. 686**

Recommending that the Senate advise and consent to the nominations of the following:

**BOARD OF PHYSICAL THERAPY**

G.M. No. 686 RACHELLE IOPA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal statement and resume submitted by the nominee and finds Rachele Iopa to possess the requisite qualifications to be nominated to the Board of Physical Therapy.

Your Committee received testimony in support of the nomination of Rachele Iopa from the Department of Commerce and Consumer Affairs and Hawaii Chapter, American Physical Therapy Association.

Upon review of the testimony, your Committee finds that this nominee has practiced as a licensed physical therapist for almost ten years, including five years as the owner of a private practice. Your Committee also finds that this nominee's experience as a licensed



professional and small business owner will allow her to represent an important perspective on the Board of Physical Therapy. Your Committee further finds that this nominee possesses a clear understanding of the role and function of the Board of Physical Therapy.

Your Committee finds that Rachelle Iopa has been nominated for appointment to the Board of Physical 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 (Solomon, Taniguchi, Slom).

**SCRep. 1370 Education on Gov. Msg. Nos. 698, 699, 700, 701, 702, 703, and 704**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

G.M. No. 698 JOHN ANDERSON, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM779);

G.M. No. 699 JANICE BOND, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM779);

G.M. No. 700 DENNIS DUNN, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM779);

G.M. No. 701 LISA A. DUNN, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM779);

G.M. No. 702 PATRICIA L. MASTERS, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM779);

G.M. No. 703 DARIN SHIGETA, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM779); and

G.M. No. 704 CHARLOTTE TOWNSEND, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM779).

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds John Anderson, Janice Bond, Dennis Dunn, Lisa A. Dunn, Patricia L. Masters, Darin Shigeta, and Charlotte Townsend to possess the requisite qualifications to be nominated to the Hawai'i Commission for National and Community Service.

Your Committee received testimony in support of the nomination of John Anderson from the Governor and Hawai'i Commission for National and Community Service.

Dr. Anderson received a Bachelor of Arts degree in Psychology from San Francisco State University. He received a Master of Education degree in Counseling and Guidance and a Doctor of Philosophy degree in Education from the University of Hawaii at Manoa. Dr. Anderson was a school counselor with the Department of Education from 1989 until his retirement in 2010.

Dr. Anderson has volunteered in many different capacities throughout his life with organizations such as the East-West Center, University of Hawaii International Students Services program, and the Elks Club.

Dr. Anderson also has experience as a grant writer and a project manager. His understanding of the grant process and evaluation of grant proposals will assist him in his role as a Commissioner.

Your Committee received testimony in support of the nomination of Janice Bond from the Governor, Hawai'i Commission for National and Community Service, State Representative Derek S.K. Kawakami, Office of the Mayor of the County of Kaua'i, and three individuals.

Ms. Bond is a retired teacher. She taught English, speech, and journalism at Kauai and Kapaa High Schools and served as a Core Curriculum Coordinator. Since her retirement, Ms. Bond has kept active by continuing to volunteer in her community. She has served as the American Association of Retired Persons Volunteer Team Leader for the island of Kauai, past Board member of the American Cancer Society, Arthritis Walk Volunteer Chair, East Kauai Lions Club member, and Kauai representative to the Read to Me International Foundation.

Ms. Bond previously served on the Hawai'i Commission for National and Community Service from 2005 to 2008 and attended the National Conference on Volunteerism in 2008. In 2009, Ms. Bond was named the Kauai Female Senior Volunteer of the Year and the Hawaii Retired Teacher Association-Kauai District/Hawaii Education Association/National Education Association Retired Teacher Volunteer of the Year.

Ms. Bond's top priority for the Hawai'i Commission for National and Community Service is to encourage community service and volunteer participation in government and private programs, as well as to develop a long-term action plan for community service initiatives in the State.

Ms. Bond's enthusiasm and commitment to volunteerism make her an invaluable addition to the Hawai'i Commission for National and Community Service.

Your Committee received testimony in support of the nomination of Dennis Dunn from the Governor, Hawai'i Commission for National and Community Service, and one individual.

Mr. Dunn has an extensive history of community service. He has been a Board member of the Domestic Violence Task Force, Hawaii State Coalition Against Domestic Violence, Hawaii Supreme Court Committee on Certification of Court Interpreters, and Kailua Neighborhood Board. Mr. Dunn is a past Chair of the Hawai'i Commission for National and Community Service, serving on the Commission from its inception in 1994 until 2005.

Mr. Dunn testified that he believes the top three priorities for the Hawai'i Commission for National and Community Service are to:

- (1) Salvage federal funding for volunteer programs;
- (2) Support the work of the Commission's grantees and encourage their growth and sustainability; and
- (3) Support community development projects that build strong communities.

Mr. Dunn's previous service on the Hawai'i Commission for National and Community Service and his lifelong dedication to public service and community-building make him a great asset to the Commission.

Your Committee received testimony in support of the nomination of Lisa A. Dunn from the Governor and the Hawai'i Commission for National and Community Service.

Ms. Dunn is currently an Instructor on Victims and the Criminal Justice System at Hawaii Pacific University. Ms. Dunn has previously served as the Hawaii and American Samoa Anti-Trafficking Services Project Coordinator for The Salvation Army, where she was responsible for developing, coordinating, and delivering services for human trafficking victims. She has also served as a Program Director for Child and Family Services and the Director of Operations of Waikiki Health Center. Ms. Dunn was also the Volunteer and Program Director for the Hawaiian Humane Society.

Ms. Dunn's background in human services has given her the opportunity to see the critical role that volunteers and individuals can have in delivering services to communities. Ms. Dunn has experience managing volunteers and understands what it takes to motivate individuals and promote the effective use of volunteers and community service program members.

Ms. Dunn's experience, garnered through years of working and volunteering in the non-profit community, will provide her with the knowledge and expertise necessary to positively benefit the Commission.

Your Committee received testimony in support of the nomination of Patricia L. Masters from the Governor, Hawai'i Commission for National and Community Service, Hawai'i Friends of Civil Rights, and twenty-eight individuals.

Dr. Masters received her Bachelor of Arts degree and her Master of Arts degree from the University of California, Los Angeles. Dr. Masters received her Doctor of Philosophy in Political Science from the University of Hawaii at Manoa. She is currently the Associate Director of the Student Equity, Excellence and Diversity Program at the University of Hawaii at Manoa.

Dr. Masters previously served on the Hawai'i Commission for National and Community Service as the Commission's first Chair from 1994 to 1996.

Dr. Masters sees her role on the Commission as helping to facilitate an increase in resources, both human and monetary, to the communities most in need of services. Dr. Masters also expressed that the Commission must develop a sustainable plan for community service initiatives and ensure that the State is receiving its share of funding for community programs and services.

Dr. Masters' previous experience as a member and Chair of the Hawai'i Commission for National and Community Service, as well as her background in community organizing and grant writing, provides her with the expertise to ensure another successful term as a Commissioner.

Your Committee received testimony in support of the nomination of Darin Shigeta from the Governor and the Hawai'i Commission for National and Community Service.

Mr. Shigeta received his Bachelor of Arts degree from Claremont McKenna College. He received his Master of Business Administration degree from the University of Hawaii at Manoa. Mr. Shigeta is currently a Business Banking Manager with Bank of Hawaii. Prior to this, he was a Business Banking Officer with Bank of Hawaii.

Mr. Shigeta is the President of the Board of Directors of the Kalihi Business Foundation, where he provides input on the Foundation's activities, grant initiatives, and projects. He is also the past President of the Board of Directors of the Kalihi Business Association. Mr. Shigeta has also volunteered with the Hawaii Pacific Tennis Foundation and the Honolulu Japanese Junior Chamber of Commerce.

Mr. Shigeta's top priority for the Hawai'i Commission for National and Community Service is to ensure fiscal responsibility and effective resource management. In addition, Mr. Shigeta testified that in these tough economic times, volunteerism is increasingly important to fill the gaps in all service areas. This gives the Hawai'i Commission for National and Community Service the opportunity to promote the benefits and positive impact of volunteerism.

As a member of the Hawai'i Commission for National and Community Service, Mr. Shigeta will bring a private sector perspective on resource allocation and prioritization.

Your Committee received testimony in support of the nomination of Charlotte Townsend from the Governor, Hawai'i Commission for National and Community Service, and five individuals.

Ms. Townsend is currently the Program and Policy Development Supervisor for the Disability and Communication Access Board. She is responsible for the dissemination of information on community resources for persons with disabilities and serves as a trainer and lecturer on civil rights legislation such as the Americans with Disabilities Act, Rehabilitation Act, Air Carriers Access Act, and Federal Fair Housing Act.

Ms. Townsend will bring a wealth of knowledge on disability-related issues to help augment the Commission's efforts to be more inclusive of diverse populations, including persons with disabilities, as participants and beneficiaries of volunteer services.

Ms. Townsend is a passionate advocate for the full participation of persons with disabilities in all facets of the community, and she will bring her unique perspective to the Hawai'i Commission for National and Community Service.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of votes for Gov. Msg. Nos. 698, 700, 701, 702, and 704:  
Ayes, 4. Noes, none. Excused, 2 (Kidani, Taniguchi).

Signed by the Chair on behalf of the Committee.

Record of votes for Gov. Msg. Nos. 699 and 703:  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1371 Hawaiian Affairs on Gov. Msg. Nos. 553, 554, 555, 556, 557, and 558**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 553 IMAIKALANI PATRICK AIU, for a term to expire 6-30-2015 (Term amended to 6-30-2013 by GM576);

G.M. No. 554 PERRY O. ARTATES, for a term to expire 6-30-2015;

G.M. No. 555 JEREMY KAMAKANEALOHA HOPKINS, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM576);

G.M. No. 556 MICHAEL PUAMAMO KAHIKINA, for a term to expire 6-30-2015;

G.M. No. 557 IAN LEE LOY, for a term to expire 6-30-2015 (Term amended to 6-30-2013 by GM576); and

G.M. No. 558 RENWICK VALENTINE ILI'ILIPUNA TASSILL, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Imaikalani Patrick Aiu, Perry O. Artates, Jeremy Kamakanealoaha Hopkins, Michael Puamamo Kahikina, Ian Lee Loy, and Renwick Valentine Ili'ilipuna Tassill to possess the requisite qualifications to be nominated to the Hawaiian Homes Commission.

Your Committee received testimony in support of the nomination of Imaikalani Patrick Aiu from the Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Waimanalo Hawaiian Homes Association, Kekaha Hawaiian Home Association, Kahua Inc., Papa Ola Lokahi, and five individuals.

Imaikalani Patrick Aiu is Special Assistant to the Director, County of Kauai, Housing Authority, where he is responsible for implementing long-term county sustainability goals and practices. Prior to this position, he was Deputy Planning Director, County of Kauai Planning Department, and a Planning Commissioner for the County of Kauai. Mr. Aiu is a graduate of the University of Colorado with a Bachelor of Science in Architecture and is experienced in sustainable design, green building, and Leadership in Energy and Environmental Design (LEED) requirements. He is a member of the American Institute of Architects and an Alumni Board Member of Leadership Kauai.

Your Committee received testimony in support of the nomination of Perry O. Artates from the Department of Hawaiian Home Lands; Office of Hawaiian Affairs and one of its Trustees; Waimanalo Hawaiian Homes Association; Office of the Mayor, County of Maui; four members of the Maui County Council; Papa Ola Lokahi; Maui Economic Development Board, Inc.; Pacific Resource Partnership; Hawaii Carpenters Union, Local 745; International Union of Painters and Allied Trades District Council 50; International Brotherhood of Electrical Workers, Local Union No. 1186; International Union of Elevator Constructors, Local Union No. 126; Plumbers and Fitters Union, Local 675; Hawai'i Building and Construction Trades Council, AFL-CIO; A&B Properties, Inc.; Dowling Company, Inc.; Ka'anapali Beach Hotel; The Resort Group; and twelve individuals. Your Committee received comments from the Paukukalo Hawaiian Homes Community Association.

Perry O. Artates is employed by the Hawaii Operating Engineers Industry Stabilization Fund, where he has served in several leadership capacities since 1994, including Educational Specialist, Maui County Stabilization Representative, Construction Resource Specialist, Assistant Administrator, and Executive Director. In addition, he has a dozen years of construction experience and is a graduate of Maui Community College. Mr. Artates is active in numerous professional and civic organizations, including Maui Island Labor Alliance and Maui United Way, and serves as Director of the Waiohuli Hawaiian Homesteaders Association. He is currently a member of the Hawaiian Homes Commission.

Your Committee received testimony in support of the nomination of Jeremy Kamakanealoaha Hopkins from a State Representative; the Department of Hawaiian Home Lands; Department of Agriculture; Office of Hawaiian Affairs and two of its Trustees; Waimanalo Hawaiian Homes Association; Association of Hawaiians for Homestead Lands; Papa Ola Lokahi; Aha Kiole Advisory Committee; Na Lei Na'auao, Native Hawaiian Charter School Alliance; Kanu o ka 'Aina Learning 'Ohana; and twenty-three individuals.

Jeremy Kamakanealoaha Hopkins is currently Aide to Office of Hawaiian Affairs Trustee Robert K. Lindsey, Jr., of Hawaii Island, where he is responsible for assisting Trustee Lindsey in his duties to fulfill the needs of Native Hawaiian beneficiaries. He has extensive experience as a community building facilitator and with Punana Leo, the Hawaiian Language Immersion Pre-schools. Mr. Hopkins is a Hawaiian language teacher, teaching at Leeward Community College and Windward School for Adults, and currently is a member of the musical group Holunape. He studied at Brigham Young University-Hawaii, and at the University of Hawaii at Manoa.

Your Committee received testimony in support of the nomination of Michael Puamamo Kahikina from the Department of Hawaiian Home Lands; Office of Hawaiian Affairs; Sovereign Councils of the Hawaiian Homelands Assembly; Nanakuli Hawaiian Homestead Community Association; Association of Hawaiians for Homestead Lands; Papa Ola Lokahi; Ho'okulaiwi Center for Native Hawaiian

and Indigenous Education; Mana Mana Lima, Inc.; Waiehu Kou Phase 3 Association, Inc.; and six individuals. Your Committee received testimony in opposition from the Waimanalo Hawaiian Homes Association and three individuals.

Michael Puamamo Kahikina is Executive Director of Kahikolu Ohana Hale 'o Wai'anae, where he is responsible for operations of 48 homeless transitional units and 24 affordable housing units, and serves as Clubhouse Director of NFL-YET Hawaii/BGCH-Nanakuli. He was a member of the State House of Representatives for twelve years and a Grants Administrator for the Boys & Girls Clubs of Hawaii. Mr. Kahikina is a graduate of the University of Hawaii, West Oahu with a Bachelor of Arts in Public Administration. He is a member of many nonprofit boards and serves as Vice President of Nanakuli Hawaiian Community Association and Chairman of Nanakuli Village Center.

Your Committee received testimony in support of the nomination of Ian Lee Loy from a State Representative, the Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Waimanalo Hawaiian Homes Association, Keaukaha Community Association, Keaukaha Pana'ewa Farmers Association, Association of Hawaiians for Homestead Lands, Papa Ola Lokahi, and seven individuals.

Ian Lee Loy is a Patrol Sergeant, South Hilo Patrol, Hawaii Police Department, where he is responsible for coordinating and monitoring patrol-level field assignments and reviewing investigative strategies and completed assignments. Prior to this position, he was a Detective in the burglary detail of the Puna District and a member of the Ice Task Force. Mr. Loy attended Hawaii Community College and has completed specialized training with the Hawaii Police Department. He is an active community volunteer, a member of the State of Hawaii Police Officers Union Hawaii Chapter, and is currently Vice President of the Keaukaha Pana'ewa Farmer's Association.

Your Committee received testimony in support of the nomination of Renwick Valentine Ili'ilipuna Tassill from a State Senator and two State Representatives, Department of Hawaiian Home Lands, Office of Hawaiian Affairs, a member of the Honolulu City Council, Waimanalo Hawaiian Homes Association, Nanakuli Hawaiian Homestead Community Association, Papa Ola Lokahi, 'Ai Pohaku, Lanakila Pacific, and nineteen individuals.

Renwick Valentine Ili'ilipuna Tassill is a tour escort, historian, and lecturer with the Pacific Islands Institute and Native Hawaiian Hospitality Association. He is a graduate of Leeward Community College and has completed college level courses in Hawaiian Language, Myths and Legends, and Hawaiian Genealogy, among others. Mr. Tassill currently serves as Sergeant-at-Arms of the Onipa'a Na Kupuna o Waimanalo Association and as a member of the State Association of Hawaiian Civic Clubs, and is active in numerous community organizations including several Hawaiian Civic Clubs and the Hawaii State Hawaiian Canoe Racing Association, among others.

Your Committee commends all the nominees for their commitment to public service in a challenging environment. Your Committee is impressed by their candor in discussing the problems facing the Department of Hawaiian Home Lands, the nominees' thoughts regarding possible solutions, and the strong spirit of innovation that your Committee believes these nominees will bring to the Hawaiian Homes Commission.

As affirmed by the records of votes of the members of your Committee on Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (English, Hee, Slom).

**SCRep. 1372 Hawaiian Affairs on Gov. Msg. Nos. 559 and 731**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF O'AHU

G.M. No. 559 CHARLES ANDREW EHRHORN, for a term to expire 6-30-2015; and

G.M. No. 731 JONATHAN L. SCHEUER, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM780).

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Charles Andrew Ehrhorn and Jonathan L. Scheuer to possess the requisite qualifications to be nominated to the Island Burial Council, Island of O'ahu.

Your Committee received testimony in support of the nomination of Charles Andrew Ehrhorn from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and Aukahi.

Charles Andrew Ehrhorn is a Consultant with C&J Land Planning, LLC, which provides land and site planning and design review services for a variety of clients. He is a Registered Architect with a background in land planning, site planning, and urban design, as well as resort and recreational development housing, and commercial site analysis. Prior to his current position, Mr. Ehrhorn was Asset Manager - Resort and Residential Property and a Land Planning Coordinator/Manager with the Campbell Estate for over twenty years. He is a graduate of the University of Oregon with a Bachelor of Architecture and holds a Master of Regional Planning from Cornell University. Mr. Ehrhorn is active in numerous professional and civic organizations, including the Honolulu Chapter and the Hawaii Council of the American Institute of Architects, and is a past member of the Oahu Island Burial Council.

Your Committee received testimony in support of the nomination of Jonathan L. Scheuer from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Aukahi, Hawaiian Islands Land Trust, Conservation Council for Hawai'i, Ku'iwalu, and three individuals.

Jonathan L. Scheuer is a private consultant specializing in conflict resolution in conservation, land acquisition, and public policy, and the intersection of these areas with Native Hawaiian concerns, and has extensive writing and speaking experience in public processes, the media, and higher education. He has also worked for the Office of Hawaiian Affairs as Director of Land Management and Policy Analyst and for Kamehameha Schools as a Land Assets Division Land Evaluation Coordinator. Dr. Scheuer is a graduate

of the University of California, Santa Cruz with a Bachelor of Arts in Environmental Studies and a Doctor of Philosophy in Environmental Studies. He also holds a Masters in Environmental Studies from Yale University. Dr. Scheuer is the author of numerous publications and presentations and is active in community service, including serving as a Board member of the O'ahu Land Trust and as Director of Malama o Manoa.

As affirmed by the records of votes of the members of your Committee on Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (English, Hee, Slom).

**SCRep. 1373 Hawaiian Affairs on Gov. Msg. No. 729**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAI'I

G.M. No. 729 EDWIN L.P. MIRANDA, for a term to expire 6-30-2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Edwin L.P. Miranda to possess the requisite qualifications to be nominated to the Island Burial Council, Island of Hawai'i.

Your Committee received testimony in support of the nomination of Edwin L.P. Miranda from the Department of Land and Natural Resources and Keaukaha Community Association.

Edwin L.P. Miranda is a Soil Conservationist with fifteen years of experience in various soil and water conservation projects with the United States Department of Agriculture Natural Resource Conservation Service, Hilo Field Office, and its predecessor agency, the Soil Conservation Service. He is a graduate of the University of Hawaii at Manoa, with a Bachelor of Science in General Agriculture. Mr. Miranda is a member of the Keaukaha Community Association, is active in numerous professional and civic organizations, is a lifetime member of the Natural Resources Conservation Employee Organization – Asian/Pacific Islanders, and for many years has coached in youth basketball leagues.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (English, Hee, Slom).

**SCRep. 1374 Public Safety, Government Operations, and Military Affairs on Gov. Msg. No. 591**

Recommending that the Senate advise and consent to the nominations of the following:

CORRECTIONS POPULATION MANAGEMENT COMMISSION

G.M. No. 591 DAVID HEAUKULANI, for a term to expire 6-30-2012.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds David Heaukulani to possess the requisite qualifications to be nominated to the Corrections Population Management Commission.

Your Committee received testimony in support of David Heaukulani from the Department of Public Safety.

David Heaukulani is currently on the adjunct faculty at the University of Hawaii-Hilo, where he teaches Principles of Sociology, Statistics, and Criminology. He also has experience teaching criminal justice courses at Hawaii Community College, San Jose State College (Chaminade Campus), Chaminade University, Wayland Baptist University of Texas, and Honolulu Community College. He received a Doctor of Philosophy degree in Sociology, with a Concentration in Criminology from the University of Hawaii at Manoa. He also received a Master of Arts degree in Sociology from the University of Hawaii at Manoa. Dr. Heaukulani is a member of numerous professional organizations and has received numerous awards and certificates relating to law enforcement and security.

The nominee served on the Governor's Prison Overcrowding Task Force under Governors Ariyoshi and Waihee. He also published a report entitled "Critical Mass: Observations on Prison Overcrowding in Hawaii", Social Process in Hawaii" in 1992.

Your Committee notes from the personal statement of the nominee that he believes that the correctional population management issue is important to the County of Hawaii in many respects. He wishes to be a representative for the county of Hawaii so that he can use his expertise to support the expansion of correctional facilities or treatment programs for Hawaii County. He supports any expansion plans for future treatment programs or facility expansion targeted for Hawaii County.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, 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, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1375 Public Safety, Government Operations, and Military Affairs on Gov. Msg. No. 733**

Recommending that the Senate advise and consent to the nominations of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 733 MARI A. MCCAIG, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Mari A. McCaig to possess the requisite qualifications to be nominated to the Crime Victim Compensation Commission.

Your Committee received testimony in support of Mari A. McCaig from the State of Hawaii Crime Victim Compensation Commission, Visitor Aloha Society of Hawaii, and four individuals.

Mari A. McCaig has been with the Department of the Prosecuting Attorney, City and County of Honolulu, as a Victim and Witness Counselor providing counseling and support to victims and witnesses involved in criminal cases. She is also the Director of the Visitor Assistance Program and has worked previously for Child and Family Services and Catholic Social Services. The nominee received a Master of Science degree in Counseling Psychology from Chaminade University of Honolulu and a Bachelor of Arts degree in Political Science and French from the University of Hawaii at Manoa.

The nominee received the Liberty Bell Award in 2003 from the Hawaii State Bar Association for exemplary service to the community. She is a member of Psi Chi, a National Honor Society in Psychology of the American Psychological Association; a Certified Cognitive Trauma Therapist; and a National Certified Counselor of the American Psychological Association. She is on the Board of Directors of the Susannah Wesley Community Center; Fetu'Ao, a Samoan community organization; and Peoples Fund; and she is on the Community Advisory Board of the Department of Ethnic Studies at the University of Hawaii.

Your Committee notes from Mari A. McCaig's personal statement that a significant part of her professional life has been dedicated to working with victims of crime and providing services and support as they navigate through the arduous complexities of the criminal justice system. During this time she has worked with victims of sex assault, domestic violence, physical assault, kidnapping, and in the cases of homicide and negligent homicide, the surviving family members of the victim. The nominee believes the primary role of a Commissioner is to determine the eligibility of the crime victim applicant. The Commission then evaluates and analyzes criminal justice data to verify that an eligible crime has occurred. Finally, the Commission evaluates the financial, medical, and criminal justice documents to ensure that the victim is fairly and justly awarded compensation.

Your Committee further notes that the nominee states that she is committed to the concept of restorative justice for crime victims. She believes it is important to hold offenders accountable for the harm they have inflicted on the victim, and as a vital part of restorative justice to hold them financially accountable by paying restitution to the victim.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, 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, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1376 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 746 and 747**

Recommending that the Senate advise and consent to the nominations of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

G.M. No. 746 DENISE J. JOHNSTON, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM780); and

G.M. No. 747 THEODORE SAKAI, for a term to expire 6-30-2014.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Denise J. Johnston and Theodore Sakai to possess the requisite qualifications to be nominated to the Correctional Industries Advisory Committee.

Your Committee received testimony in support of Denise J. Johnston from the Department of Public Safety and one individual.

Denise J. Johnston is currently an Adult Corrections Officer V-Lieutenant with the Department of Public Safety. She has been an Adult Corrections Officer since 1984. Among her many current duties, she oversees the daily workings of the staff and inmates at the Community Service, Residency, and Security and Intake/Release Sections; assists in developing security procedures; and monitors housing movements of inmates throughout the facility to assure jail custodies are not mixed with prison custodies.

Your Committee notes from the nominee's personal statement that she believes in promoting morale, accountability, and rewarding hard work and dedication. The nominee perceives her role and responsibilities as a member of the Corrections Industries Advisory Committee as providing guidance and support to encourage training opportunities between corrections industries and the private sector and to provide low-cost labor to non-profit organizations. Working as an Adult Corrections Officer, she understands how the correctional facilities work and has the insight into how training and labor programs benefit the inmates and public by providing the inmates with valuable skills that they can utilize when they reenter society and therefore avoid recidivism.

Your Committee received testimony in support of Theodore Sakai from the Department of Public Safety and two individuals.

Theodore Sakai is currently the Principal of Ted I. Sakai and Associates and serves as a Certified Professional Executive and Life Coach, consultant, and trainer in leadership development, consultant in correctional management and program development, consultant in strategic planning, and labor arbitrator. Mr. Sakai has experience working for the Department of Public Safety from 1998 to 2005 in various capacities, including service as Director, Deputy Director, Chief of Staff, Corrections Program Services Administrator,

Corrections Division Administrator, and Program Planning Office Administrator. The nominee has also been with the John Howard Association of Hawaii as Executive Director and served that entity in other various positions.

The nominee is also an active community participant as a director or chair of numerous community and social service organizations, most of which are associated with corrections and rehabilitation. Mr. Sakai has published several professional articles including one entitled "Restorative Circles: A Reentry Planning Process for Hawaii" and has received numerous awards and recognition for his work in corrections and human services.

Your Committee notes from the personal statement of the nominee that since he left the employment of the Department of Public Safety, he has retained a keen interest in corrections in Hawaii. Among other things, Mr. Sakai has served as a consultant to the Big Island's Going Home Consortium, a successful collaboration of state and community agencies focused on the successful re-entry of offenders into the Big Island Community. Going Home started as an effort to help offenders obtain meaningful jobs after they were released from incarceration. Consortium members found that after a term of imprisonment, most offenders lacked experience and soft skills to secure good jobs and retain employment and that in addition to employment, offenders need support in such areas as treatment, family reunification, and housing. Your Committee finds that the nominee will make valuable contributions to the Correctional Industries Advisory Committee in large part due to the experience and knowledge he has gained through work such as the Giving Home Consortium.

As affirmed by the records of votes of the members of your Committee on Public Safety, Government Operations, 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, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1377 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 748, 749, and 750**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 748 JOYCE K. MATSUMORI-HOSHIJO, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM783);

G.M. No. 749 BERT Y. MATSUOKA, for a term to expire 6-30-2012; and

G.M. No. 750 MICHAEL A. TOWN, for a term to expire 6-30-2014 (Term amended to 6-30-2015 by GM778).

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joyce K. Matsumori-Hoshijo, Bert Y. Matsuoka, and Michael A. Town to possess the requisite qualifications to be nominated to the Hawaii Paroling Authority.

Your Committee received testimony in support of Joyce K. Matsumori-Hoshijo from the Department of Public Safety, State Public Defender, and fourteen individuals.

Joyce K. Matsumori-Hoshijo currently has a private law practice, specializing in civil and criminal appeals. She has twenty years of experience with the Office of the Public Defender in various trial and appellate positions. The nominee received a Juris Doctor degree from the Hastings College of the Law and a Bachelor of Arts degree from the University of California, Berkeley.

Ms. Matsumori-Hoshijo is active in community organizations, including service since 2009 on the Na Loio (nonprofit legal service organization) Board of Directors as Secretary, and she has served on the Penal Code Reform Committee for the Hawaii State Bar Association.

Your Committee notes from the personal statement of the nominee that she believes the role of Hawaii Paroling Authority members is to make sound decisions regarding the setting of minimum terms of imprisonment and parole-related matters in order to protect the community and reintegrate the offender into the community. The nominee also noted that Hawaii Paroling Authority members are required to follow the applicable statutes and rules when evaluating each case work to ensure that offenders complete all required programming so that they will have the best chance of success upon returning to the community. Society benefits as a whole when these individuals become productive, working members within their families and communities. The nominee's many years of experience as a Deputy Public Defender handling minimum term and parole hearings before the Hawaii Paroling Authority provides her with unmatched knowledge, experience, and insight into the proper functioning of the Authority.

Your Committee believes that the nominee's extensive experience as a Public Defender, as well as serving with Na Loio and on the Penal Code Reform Committee, is invaluable to the Hawaii Paroling Authority.

Your Committee received testimony in support of Bert Y. Matsuoka from the Department of Public Safety, Hawaii Paroling Authority, State Public Defender, The Salvation Army – Family Intervention Services, The Marine Group, and five individuals.

Bert Y. Matsuoka is currently the Contract Manager for Securitas Security Services USA Inc. His prior experience includes serving as the Executive Director of the Office of Youth Services, Acting Volunteer Services Administrator of the Department of Human Services, and Metropolitan Police Officer for the Honolulu Police Department.

Mr. Matsuoka received a Master's degree in Public Administration, a Certificate in Public Administration, and a Bachelors of Arts degree in Sociology from the University of Hawaii at Manoa.

Your Committee notes from the personal statement of the nominee that the Hawaii Paroling Authority is tasked to determine if and when incarcerated individuals are allowed to transition back into the community without posing a risk to public safety or to the individuals themselves. According to the nominee, the Authority needs to take a careful, objective view of each individual and

determine whether that person is prepared to be afforded an opportunity to be allowed back into the community. Mr. Matsuoka will place emphasis on the collected research, data, and history of the individual, and seek the input from the professionals who actually work with and are familiar with the individual in making these determinations.

Your Committee believes that the nominee's experience with the Office of Youth Services and the Department of Human Services allows him to share his valuable insights into the rehabilitation potential in inmates who comes before the Hawaii Paroling Authority.

Your Committee received testimony in support of Michael A. Town from the Department of Public Safety, State Public Defender, and twelve individuals.

Michael A. Town received a Master of Laws degree from Yale Law School with a constitutional law emphasis; a Juris Doctor degree from the University of California, Hastings College of the Law; and a Bachelor of Arts degree from Stanford University in Economics and Latin American Studies.

Judge Town is currently a Mediator and Arbitrator with Dispute Prevention & Resolution in Honolulu. He has experience serving as a Circuit Court Judge in Hawaii from 1993 to 2010, during which time (1994 to 1997) he served as the Senior Judge of the Family Court. Prior thereto, Judge Town was the Supervising Attorney and Director of Litigation at Legal Aid Society of Hawaii and Law Clerk to Associate Justice Bernard H. Levinson.

The nominee has published numerous professional articles and served on several professional committees, such as the Restorative Justice Committee of the Hawaii State Judiciary, with relevant published results including, "Model Code on Domestic and Family Violence"; "Children and Families First: A Mandate for America's Courts"; and "Family Violence: Improving Court Practice". Judge Town's numerous professional affiliations include the Hawaii Justice Foundation and Board of Trustees of the National Council of Juvenile and Family Court Judges.

Judge Town has been an Adjunct Professor of Law at the University of Hawaii William S. Richardson School of Law, and has been a lecturer and workshop leader nationally and internationally on court-related topics such as judge as coach, unified family court, vicarious trauma and resiliency in judges, problem solving courts, and preventive, restorative, and therapeutic justice.

Your Committee notes from the nominee's personal statement that his experience serving as a Family Court Judge, Senior Judge of the Family Court, and Circuit Court Judge uniquely qualify him to serve as a member of the Hawaii Paroling Authority. He believes it is essential to look at each case individually. In light of the reports, social studies, information presented, and the interview process for each offender, he will do his best to make a reasoned decision that reflects restorative justice, which he describes to include community safety, personal accountability, and being receptive to services, so that an offender can become a law-abiding, self-sufficient, and contributing member of the community.

Your Committee believes that Judge Town's experience and sterling reputation as a judge and law professor, and his research and publication on various judicial and penal issues would make him a valued and respected member of the Hawaii Paroling Authority.

As affirmed by the records of votes of the members of your Committee on Public Safety, Government Operations, 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, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1378      Tourism on Gov. Msg. No. 752**

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. 752    CRAIG NAKAMURA, for a term to expire 6-30-2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Craig Nakamura to possess the requisite qualifications to be nominated to the Board of Directors of the Hawai'i Tourism Authority.

Your Committee received testimony in support of the nomination of Craig Nakamura from The Fairmont Orchid, Hyundai Tournament of Champions, Maui Hotel & Lodging Association, and three private citizens.

Mr. Nakamura has a Bachelor of Arts degree in History from the University of Colorado and a Juris Doctor degree from the University of Hawaii School of Law. He is a member of the Hawaii State Bar Association and the Maui Bar Association and is actively involved in his community through participation in the Wailuku Heights Community Association II and Kapalua Maui Charities.

Mr. Nakamura currently works as an attorney with the law firm of Carlsmith Ball LLP on the island of Maui. Mr. Nakamura has an extensive background in real estate law and regularly represents landlords, tenants, and property management companies in lease transactions, including shopping centers, ground leases, warehouses, offices, and residential leases. Mr. Nakamura also has an extensive knowledge of real property development transactions, licensing and permitting processes, and complex financings. Prior to joining Carlsmith Ball LLP, Mr. Nakamura worked at the law firm of Ueoka & Luna.

Throughout his legal career, Mr. Nakamura has worked with numerous restaurants on the island of Maui, including international chains and franchises, servicing clients with respect to business start-up and operational issues, including leasing, permitting, and licensing issues. Mr. Nakamura is also a former member of the Hawaii Restaurant Association.

Mr. Nakamura has a firm understanding of the local business environment and the impact tourism has on the State's economy. The clients he represents on a daily basis are heavily dependent on revenues generated from tourism and his client service has given Mr.



Nakamura extensive knowledge of the tourism industry. Accordingly, your Committee finds that Mr. Nakamura's real estate, corporate, and financial background, along with his knowledge of the tourism industry, will make him a positive addition to the Board of Directors of the Hawai'i Tourism Authority.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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 (Kahele, Slom).

**SCRep. 1379 Ways and Means on Gov. Msg. No. 753**

Recommending that the Senate advise and consent to the nominations of the following:

TAX REVIEW COMMISSION

G.M. No. 753 DARRYL NITTA, for a term to expire 6-30-2015.

Your Committee received testimony in support of the nomination of Darryl Nitta from the Department of Taxation; K. Mark Takai, State Representative, House of Representatives; International Union of Painters and Allied Trades, District Council 50; Kathy Castillo, Executive Director, Hawaii Society of Certified Public Accountants; Thomas Yamachika, Tax Principal, Acuity, Certified Public Accountants; Matthew Resich, Account Manager, MC&I Inc; Reginald Castanares, President, The Hawai'i Building and Construction Trades Council; Glenn Ida, The Plumbers and Fitters, Local 675; Jim Yates, President and CEO, Mid Pac Petroleum, LLC; Rodney Harano, CPA, CW Associates; Reginald Castanares, President, Hawaii Building and Construction Trades Council; Samuel T. Fujikawa, CEO, Continental Mechanical of the Pacific; May Lee, Investor Relations Manager, Tissue Genesis Incorporated; ILWU Local 142; Ed Hahn; Jane Sakurada; Kimberly Tomlinson; Joan Fujita; Rick Sakurada; Jason M. Arakaki; Jessica Nitta, Account Manager, MC&A; Jill Miyaki; Gerald K.W. Wong; Roy Sonomura; and thirty individuals.

Upon review of the testimony and other information received, your Committee finds that the nominee is a qualified candidate to serve on the Tax Review Commission. Mr. Nitta has been employed as a Certified Public Accountant in private practice for approximately ten years and is currently the Tax Senior Manager at Accuity, LLP. He has a Bachelor of Science degree from the University of San Francisco, and earned his Master's Degree in Business Administration from Hawaii Pacific University. Mr. Nitta's extensive tax and accounting experience includes tax return preparation, tax consulting, and general business services. His knowledge will be of great help to the Tax Review Commission as it fulfills its duty to conduct a systematic review of the State's tax structure. Beyond his professional experience, Mr. Nitta has a commitment to community and public service. He has been a member of many community organizations, particularly those that support Hawaii's elementary school students. Mr. Nitta has the necessary knowledge, skills, and acumen to effectively and competently serve as a 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, 11. Noes, none. Excused, 3 (English, Ryan, Tokuda).

**SCRep. 1380 Judiciary and Labor on Gov. Msg. No. 560**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 560 KEN HIDESHI TAKAYAMA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the appointee and finds Ken Hideshi Takayama to possess the requisite qualifications to be nominated to the Commission to Promote Uniform Legislation.

Testimony in support of the nomination of Ken Hideshi Takayama was submitted by the Department of the Attorney General, three Commissioners of the Commission to Promote Uniform Legislation, one commissioner to the National Conference of Commissioners on Uniform State Laws, and one individual.

Mr. Takayama brings a wealth of professional experience to the Commission. From January 2003 until his retirement in December 2010, Mr. Takayama served as the Director of the Legislative Reference Bureau. Prior to that time, he served as the Assistant Director for Research with the Legislative Reference Bureau from December 1986 to December 2002. He has also served as a Judge Advocate with the Army National Guard for many years and as a staff attorney for the Office of Council Services of the City and County of Honolulu.

Mr. Takayama has served on the Commission since 1995. During his tenure on the Commission, he has represented Hawaii on the National Conference of Commissioners on Uniform State Laws (also known as the Uniform Law Commission) (ULC), served on several ULC drafting and study committees, acted as the legislative liaison from Hawaii to the ULC, and served as a member of the ULC Standing Committee on Membership and Attendance and the Committee of Legislative Attorneys. He has demonstrated his strong commitment to the Commission and to the promotion of uniform state laws by his active participation, including his attendance at annual meetings of the ULC even when budgetary limitations prevented full or even partial reimbursement for his travel expenses.

Testimony submitted on behalf of his appointment by other Commissioners highlights his considerable value to the Commission and to the Legislature when the Commission assists legislators with analyzing and considering potential uniform acts for adoption. Commissioners praised his enthusiasm in fulfilling his Commission obligations, observing that he works tirelessly to have uniform acts introduced in and moved through the Legislature by preparing testimony, testifying knowledgeably at hearings, and working with

legislators and other interested parties to address any concerns various groups may have. The Commissioners commended Mr. Takayama's work with the Commission and his important role in facilitating its mission.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 1381 Judiciary and Labor on Gov. Msg. Nos. 561 and 562**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 561 ALFRED C. LARDIZABAL, for a term to expire 6-30-2015; and

G.M. No. 562 HAROLD P. MCDERMOTT, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Alfred C. Lardizabal and Harold P. McDermott to possess the requisite qualifications to be nominated to the Hawaii Workforce Development Council.

Testimony in support of the nomination of Alfred C. Lardizabal was submitted by ILWU Local 142, the Hawaii Building and Construction Trades Council of the AFL-CIO, International Union of Elevator Constructors, Hawaii LECET (Laborers-Employers Cooperation and Education Trust), the Pacific Resource Partnership, Koga Engineering and Construction, Inc., Ralph S. Inouye Co., Ltd., and one individual.

Mr. Lardizabal has a distinguished career in the public sector and the labor field, specifically. From 2002 to 2010, Mr. Lardizabal served as the Director of Government and Community Relations and as Operations Manager/Editor with the Laborers' International Union of North America, Local 368. Between 1994 and 2002, he was the Deputy Negotiator with the Office of the Governor. Prior to his service in that position, he served as the Deputy Director of the Department of Labor and Industrial Relations, Deputy Director of the Department of Taxation, and Director of the Department of Personnel Services. From 1982 to 1986, Mr. Lardizabal served in the House of Representatives. Mr. Lardizabal also has experience at the county level, having been the Director of Finance and Deputy Director of Finance for the County of Kauai. Additionally, Mr. Lardizabal has experience in the private sector, having worked as a plantation trainee in Lihue, an appliance repair technician, and a licensed electronic technician, before going on to study business at the University of Hawaii and at other institutions on the mainland.

Testifiers who submitted testimony in support of Mr. Lardizabal's nomination praised his extensive and broad experience in government and labor, observing that this experience would be a tremendous asset to the Hawaii Workforce Development Council. He is well-respected by other members of the labor community, having worked closely with them on legislative activities, political action, and community projects. One testifier commented that in Mr. Lardizabal's present position as a labor advocate, he works collaboratively with construction management to help solve problems relating to the construction industry.

Your Committee finds that Mr. Lardizabal's wide and varied experience in government and labor make him well-suited to serve on the Hawaii Workforce Development Council. While the majority of the Council's members are from the private sector and represent employers, Mr. Lardizabal's nomination is for one of the two positions designated for labor. Accordingly, his background has given him the experience to be keenly aware of the problems of unemployment and other labor issues and the experience and collaborative style to solve problems, while sharing with other Council members an understanding of the labor perspective.

Testimony in support of the nomination of Harold P. McDermott was submitted by the Hawaii Building and Construction Trades Council of the AFL-CIO, International Union of Elevator Constructors, Plumbing and Mechanical Contractors Association of Hawaii, and Hawaii LECET (Laborers-Employers Cooperation and Education Trust).

Mr. McDermott is currently the Assistant Training Coordinator with the Plumber and Fitters UA Local 675, where he oversees the apprenticeship program for the plumbers, providing plumbing competency classes and backflow certification. Prior to his work as the Assistant Training Coordinator, from 1996 until 2006, he worked as the Plumbing General Superintendent with Alaka'i Mechanical Corp, where he supervised the construction and plumbing service division and oversaw estimating and drafting for the plumbing department. He also served as an apprenticeship instructor for the Plumber and Fitters UA Local 675. From 1975 until 1996, he worked as a licensed plumber with Au's Plumbing and Alaka'i Mechanical Corp, and acted as the foreman for ongoing construction projects.

Testifiers in support of Mr. McDermott's nomination commended his unparalleled enthusiasm for the growth and training of new and established plumbing journeymen and woman and his understanding of what is required to develop a strong and productive workforce. Testimony also indicated that Mr. McDermott has the necessary personal skills to work cooperatively within a large council, and that his demeanor is calm, rational, and friendly. Mr. McDermott is highly regarded by his peers and leaders of the construction trades industry.

Your Committee notes that Mr. McDermott fills the second labor position on the Council and finds that he has the unique perspective of coming up through a trade, first as an apprentice, then as a journeyman, supervising work crews and estimating manpower costs, and then instructing, planning, and coordinating the curriculum for the statewide training program. This perspective, and his experience with the apprenticeship program, will be invaluable to the Council, whose mission is to generate creative ideas and solutions to develop the skilled workforce that is needed by businesses in the State.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 1382 Judiciary and Labor on Gov. Msg. Nos. 589 and 732**

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 589 LINDA H. KRIEGER, for a term to expire 6-30-2015; and

G.M. No. 732 RAYMUND LIONGSON, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Linda H. Krieger and Raymund Liongson to possess the requisite qualifications to be nominated to the Civil Rights Commission.

Testimony in support of the nomination of Linda H. Krieger was submitted by the Department of Labor and Industrial Relations, Hawai'i Civil Rights Commission, and one individual.

Linda H. Krieger is currently a Professor of Law at the University of Hawaii, William S. Richardson School of Law, teaching employment discrimination law, legislation and statutory interpretation, and civil procedure. She has extensive knowledge and experience in civil rights matters. For thirteen years, she worked as a civil rights lawyer in San Francisco, California. During that period, she litigated at the trial and appellate levels, a number of significant state and federal sex and race discrimination and other workers' rights cases. Many of these cases established important legal and practical precedents in the areas of pregnancy discrimination, sexual harassment, and the rights of workers affected by mass layoffs. She also played a significant role in drafting state and federal legislation in these subject matter areas. During these years, Professor Krieger was also a political activist in the San Francisco lesbian and gay community, and took an early leading role in community organizations, such as the San Francisco AIDS Foundation, the AIDS Legal Referral Panel, and the AIDS Interfaith Network, which emerged in response to the AIDS outbreak in the early 1980s.

Ms. Krieger has also taught at the Stanford Law School, where she published a ground-breaking article on implicit bias and antidiscrimination law.

She also taught courses in employment discrimination law, civil procedure, legal problem solving and decision making, antidiscrimination law and policy, and an undergraduate course on American social movements and their relationship to the development of civil rights law and policy in the United States, at the University of California at Berkeley School of Law. Ms. Krieger has been published extensively in the areas of disability discrimination, affirmative action, law and social cognition theory, international comparative equality law and policy, judgment in legal decision making, and theories of law and social change.

Testimony submitted on behalf of Ms. Krieger's nomination commended Ms. Krieger's firm grasp of the law, in practice and in theory, and a deep and demonstrated commitment to civil rights. She has a reputation as bright, fair, compassionate, wise, ethical, and as a tireless advocate for civil rights and social justice. Your Committee finds that Ms. Krieger will make a substantial contribution to the work and success of the Hawai'i Civil Rights Commission.

Testimony in support of the nomination of Raymund Liongson was submitted by the Hawai'i Civil Rights Commission; Department of Labor and Industrial Relations; Office of Language Access, Department of Labor and Industrial Relations; UNITED HERE Local 5; ILWU Local 142; Hawai'i Friends of Civil Rights; United Filipino Council of Hawaii; Oahu Filipino Community Council; Nursing Advocates & Mentors, Inc.; Filipino Coalition for Solidarity; and seventeen individuals.

Raymund Liongson is currently an Assistant Professor and Coordinator of Philippine Studies with the University of Hawaii-Leeward Community College. Prior to that position, he was a lecturer in Anthropology at the University of Hawaii-West Oahu, an Institutional Research Analyst at the University of Hawaii-Leeward Community College, and a Resource Teacher with the Department of Education. Dr. Liongson also has extensive experience in the education field in the Philippines, as an Associate Director at the Center for Educational Research and as an Instructor in Sociology and Philippine Studies with the Polytechnic University of the Philippines.

Dr. Liongson has also been involved with the recognition and promotion of human and civil rights for many years, in Hawaii and the Philippines. He currently serves as a Director of Sulong Aral, a program funded by the United States Department of Education to help students of Filipino ancestry finish college. He is a Board member of the Filipino Community Center, and also served as the President of the Filipino Coalition for Solidarity, a rights advocacy group for Filipino-American World War II veterans, Filipino immigrants, and Filipino workers in the areas of discrimination, language access, and domestic violence. Since 2006, Dr. Liongson has participated and served as a member of UNITED HERE Local 5's Community Committee, which is an alliance of seventeen community leaders representing an array of interests and constituent groups that support the efforts of hotel, health care, and food service workers. Over many years, Dr. Liongson has been involved in the community, advocating and working for fair and equal treatment of workers, women, and ethnic minorities.

Testimony submitted on behalf of Dr. Liongson's confirmation praised his extensive knowledge of and commitment to the Hawai'i Filipino community, in particular, and the area of civil rights of all individuals. Testifiers pointed to his extensive advocacy work in the community as an indication of his commitment to social justice and civil rights for workers, women, immigrants, children, the disadvantaged, and the marginalized. Your Committee finds that Dr. Liongson's experience and knowledge will bring a unique and valuable perspective to the Hawai'i Civil Rights Commission.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1383 Judiciary and Labor on Gov. Msg. Nos. 622, 623, and 624**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 622 CARMILLE L. LIM, for a term to expire 6-30-2015;

G.M. No. 623 AMY Y. MONK, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM789); and

G.M. No. 624 LISA ELLEN SMITH, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Carmille L. Lim, Amy Y. Monk, and Lisa Ellen Smith to possess the requisite qualifications to be nominated to the Commission on the Status of Women.

Testimony in support of the nomination of Carmille L. Lim was submitted by the Department of Human Services; Enterprise Honolulu, Oahu Economic Development Board; and twenty-seven individuals.

Carmille L. Lim received her Bachelor of Arts degree in Political Science, with a certificate in Women's Studies, from the University of Hawaii at Manoa. She is a Donor and Member Relations Associate with the YWCA, where she raises, maintains, and manages funds and the organizational budget through donor, member, and sponsorship solicitation and performs community outreach. From July 2010 to February 2011, she worked with Loomis-ISC, where she offered social media, nonprofit, and political campaigning perspectives and counseling. Ms. Lim also volunteered as a Teaching Assistant for a History of Gender, Sex, and Sexuality class at the University of Hawaii at Manoa and with the Women's Caucus of the Hawaii Democratic Party; The Chamber of Commerce, Hawaii; and the Aiea Neighborhood Board, and held volunteer positions with the Women's Fund of Hawaii as a Fund Development Committee Member, and with the Judiciary as a Research Statistician Aide. Ms. Lim also volunteered as a Grantmaking Committee Member with the Hawaii People's Fund and as a Board member and Treasurer with Envision Hawaii.

Testimony submitted in support of Ms. Lim praise her sincere dedication, intelligence, and commitment to social justice, women's issues, and sustainability. Through her volunteer work with many organizations, she has developed broad knowledge regarding domestic violence against women, gender discrimination, and economic advancement. Your Committee finds that Ms. Lim's energetic commitment, broad-based knowledge about issues affecting women, and leadership skills will be valuable to the Commission on the Status of Women.

Testimony in support of the nomination of Amy Y. Monk was submitted by Congresswoman Mazie K. Hirono, the Department of Human Services, and twenty-one individuals.

Amy Y. Monk has had a notable career with the foreign service. She worked as a Management Officer, performing regional contract solicitation and negotiation in Japan, where she supervised foreign national professionals, managed Asia and Pacific embassy property, and performed crisis management and emergency planning. She also worked as a Human Resources Officer, classifying positions, recruiting, performing personnel problem solving, negotiation, and applying federal regulation and foreign labor law. She also acted as a Political and Public Diplomacy Officer, where she analyzed and reported developments in United States-Japan bilateral relations, monitored Russian media, and produced media products for use overseas. Ms. Monk has also performed extensive community service, serving as a Hawaii Kai Neighborhood Board member, an AARP Foundation Tax Aide, and a Board Member with Planned Parenthood of Hawaii. She also served as the Vice Chair of the Oahu County Community Democratic Party of Hawaii, as the District Chair of the Hawaii Kai Democratic Party, as a member of the Patsy T. Mink Political Action Committee, and with the Women's Caucus of the Democratic Party of Hawaii.

Testimony submitted in support of Ms. Monk commend her leadership and expertise gained through her professional experience and involvement with various community activities. She has a reputation as open, honest, hardworking, thoughtful, and fair minded, and as a good communicator. Moreover, Ms. Monk has demonstrated her commitment to the community and to the advancement of the cause of women and women's rights as a member of the Patsy T. Mink Political Action Committee, the Women's Caucus of the Democratic Party, and Planned Parenthood of Hawaii. Your Committee finds that Ms. Monk's extensive professional foreign service experience will bring an international perspective to the Commission on the Status of Women.

Testimony in support of the nomination of Lisa Ellen Smith was submitted by the Department of Human Services, the Mayor of the County of Kauai, and two individuals.

Lisa Ellen Smith is currently the Assistant Real Estate Manager with CB Richard Ellis, Inc., in Lihue, where she is in charge of daily facility operations for a regional mall on Kauai, and manages all service providers. Prior to her current position, she was a Program Assistant with the YWCA of Kauai, where she provided clerical assistance for program directors in the Sexual Abuse Treatment Services, Sexual Abuse Treatment Program, and Juvenile Sexual Offender Treatment Program. She has also served as the Township Administrator/Zoning Administrator of Jackson Township in Grove City, Ohio, where she administered daily operations and upheld applicable laws and regulations of the township. Ms. Smith has also served on the County of Kauai's Committee on the Status of Women since 2007 and has served as its Chairperson in 2009.

Testimony submitted in support of Ms. Smith note that her work with the County of Kauai's Committee on the Status of Women demonstrates her dedication to fairness and equity, and her effort to empower those less fortunate. She has a reputation for getting things done and for being passionate, committed, and innovative. Your Committee finds that Ms. Smith's diverse business experience

will be an asset to the Commission on the Status of Women in developing policies for the advancement of women in leadership positions in business.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1384 Judiciary and Labor on Gov. Msg. No. 734**

Recommending that the Senate advise and consent to the nominations of the following:

INTERSTATE COMPACT FOR JUVENILES

G.M. No. 734 JANICE YAMADA, for a term to expire 6-30-2014.

Your Committee has reviewed the personal history and resume and finds Janice Yamada to possess the requisite qualifications to be nominated to the Interstate Compact for Juveniles.

Testimony in support of the nomination of Janice Yamada was submitted by the Judiciary.

Janice Yamada is currently the Deputy Chief Court Administrator of the First Circuit Court, where she is responsible for the building and operations in the Ronald T.Y. Moon Complex in Kapolei and works with the Family Court judges, staff, and the public to address any concerns regarding operations. She also provides oversight and guidance to the Juvenile and Adult Client Services Branches. From 2007 until her appointment as Deputy Chief Court Administrator in February 2011, Ms. Yamada served as the Probation Administrator of the Adult Client Services Branch. That position required overall administration for the Adult Client Services Branch, which provides services to all First Circuit Criminal Courts and supervises all offenders on probation and deferral on the island of Oahu. During that time period, she also served as the Compact Administrator for the Interstate Commission for Adult Offender Supervision, for which she represented the State of Hawaii in matters related to interstate movement of probationers and parolees through the evolving National Compact on Interstate Supervision of Adult Offenders. From 1995 to 2007, Ms. Yamada served in the Adult Client Services Branch as a Social Worker VI (Intake/Pre-sentence Branch Administrator), pursuant to which she was responsible for the organization, operations, and directions of four units in the Intake/Pre-sentence Branch. Prior to that time, she worked in the Judiciary within the Adult Probation Division and Family Court-Adult Services and in the Department of Social Services and Housing for eighteen years.

Testimony submitted by the Judiciary in support of the confirmation of Ms. Yamada explained that Ms. Yamada served on the Interstate Commission for Juveniles as the Compact Administrator for the Commission and as a member of the State Council for Interstate Juvenile Supervision. As described by the Judiciary in its testimony, Ms. Yamada's involvement as the Compact Administrator for the Interstate Commission for Adult Offender Supervision was essential in the development of the Adult Offender Compact in the State of Hawaii, and through her service on that commission, Ms. Yamada gained the knowledge and skills to represent Hawaii in matters of the Interstate Commission for Juveniles.

Your Committee finds that because the Juvenile Compact is in its first year of implementation, the State of Hawaii will benefit from Ms. Yamada's experience of the implementation of the Adult Compact in the State because the Juvenile Compact is modeled after the Adult Offender Interstate Compact. Your Committee also finds that Ms. Yamada is eminently qualified, and her experience, knowledge, and skills will be invaluable to the Interstate Compact for Juveniles.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1385 Judiciary and Labor on Gov. Msg. Nos. 735, 736, and 737**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 735 WAYNE L. CHU, for a term to expire 6-30-2015;

G.M. No. 736 NEAL MIYAHIRA, for a term to expire 6-30-2014; and

G.M. No. 737 DENNIS L. VANAIIRSDALE, for a term to expire 6-30-2015 (Term amended to 6-30-2012 by GM789).

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Wayne L. Chu, Neal Miyahira, and Dennis L. Vanairsdale to possess the requisite qualifications to be appointed to the Board of Trustees of the Deferred Compensation Plan.

Testimony in support of the appointment of Wayne L. Chu to the Board of Trustees of the Deferred Compensation Plan was submitted by the Director of Human Resources Development; the Comptroller; the Deputy Comptroller; the Fiscal Management Officer of the Department of Land and Natural Resources; the Fiscal Officer of the Department of Business, Economic Development, and Tourism; a Trustee on the Board of Trustees of the Deferred Compensation Plan; and five individuals.

Mr. Chu is currently the Audit Division Administrator with the Department of Accounting and General Services, which is the State's chief internal auditing officer with that department. In that capacity, Mr. Chu is responsible for ensuring that all accounting and

internal control systems of departments in the Executive Branch of the state government follow prescribed procedures and principles according to state laws and rules. He has thirty-six years of experience as an accountant and auditor. Mr. Chu is a licensed Certified Public Accountant in good standing in the State of Hawaii. He has also served as a Trustee on the Board of Trustees of the Deferred Compensation Plan for two four-year terms from 2001 to 2009. He has been serving as an interim Trustee since July 12, 2010, and as the Board's Chairperson since November 2010.

Testimony in support of Mr. Chu's appointment have praised his expertise, professional approach to problems, willingness to help, strong leadership skills, and commitment to excellence. In his capacity as Trustee, testifiers noted that his extensive knowledge of the State's Deferred Compensation Plan, institutional knowledge, and accounting background have been beneficial in the Board's management of the Deferred Compensation Plan. Your Committee finds that Mr. Chu's continued presence on the Board as a Trustee is extremely helpful in managing the State's Deferred Compensation Plan, and the knowledge and experience he brings to the Board will continue to be valuable and significant.

Testimony in support of the nomination of Neal Miyahira was submitted by the Director of Human Resources Development, Director of Finance, and one individual.

Mr. Miyahira is currently the Administrator of the Budget, Program Planning and Management Division of the Department of Budget and Finance, where he is responsible for preparing and monitoring the State's short- and long-term financial plans and strategies and ensuring that state agencies meet their budgetary amounts and improve the operational efficiencies of their programs. From 1999 until 2002, when he was appointed to his current position, Mr. Miyahira served as the Director of Finance, where he managed departmental operations, oversaw planning and policy development for Executive budget preparation and execution, and oversaw planning and execution of state bond sales and investment activities. During that time, he also served as an exofficio member of the Employees' Retirement System and Public Employees Health Fund boards and as an appointed member of the Employer-Union Health Benefits Trust Fund Board. Mr. Miyahira also served as the Director of Taxation from 1998 to 1999, and the Deputy Director of Finance from 1995 to 1998. Prior to that time, he also served in the Office of the Governor, the Office of the Lieutenant Governor, and in the Department of Budget and Finance. Mr. Miyahira previously served on the Board from 1994 to 1998.

Testimony submitted in support of the confirmation of Mr. Miyahira highlighted Mr. Miyahira's extensive experience in the areas of budgeting, finance, and taxation in the public sector. Testimony submitted by the Director of Finance commended Mr. Miyahira's financial acumen and his familiarity with the complexities of financial management and investment protocol and expressed his belief that Mr. Miyahira will ensure that the Deferred Compensation Plan Board is running at its optimal performance level. Your Committee finds that Mr. Miyahira's broad experience will be valuable to the Board, and his continued role within the Department of Budget and Finance will bring additional current-issue expertise to the Board.

Testimony in support of Mr. Vanairsdale's appointment was submitted by the Director of Human Resources Development, the Chancellor of the University of Hawaii-Kapi'olani Community College, and ten individuals.

Mr. Vanairsdale is currently a professor at the University of Hawaii-Kapi'olani Community College, where he has taught accounting, taxation, and business law from 1984 to the present. From 1983 to 1984, he served as the Legal Services Developer with the Executive Office on Aging, Office of the Governor. He was an attorney in private practice, with an emphasis on taxation, from 1981 to 1983. From 1979 to 1981, he worked as a Certified Public Accountant with the accounting firm of Deloitte Haskins and Sells. Additionally, he continues to engage in part-time employment in the legal, health, and life insurance fields. He is also currently the Chairperson of the Investment, Finance, and Audit Committee of the University of Hawaii Professional Assembly (UHPA).

Testimony submitted in support of Mr. Vanairsdale's confirmation commended his professional experience and understanding of financial planning and prudent investing. His service on the Investment, Finance, and Audit Committee has given him an understanding of issues regarding retirement and retirement plans, subjects that have become critical for UHPA. Testifiers also praised Mr. Vanairsdale's professional approach to his work, keen interest in making constructive contributions, collaborative work ethic, respect of opinions other than his own, and ability to see the big picture. Your Committee finds that Mr. Vanairsdale's broad experience in accounting, taxation, and business law, and his work with the Investment, Finance, and Audit Committee, will provide a unique perspective and a valuable contribution to the Board.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1386 Judiciary and Labor on Gov. Msg. Nos. 739 and 740**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 739 ANTONIO J. SAGUIBO, for a term to expire 6-30-2015; and

G.M. No. 740 MARIAN TSUJI, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Antonio J. Saguibo and Marian Tsuji to possess the requisite qualifications to be appointed to the Hawaii Workforce Development Council.

Testimony in support of the nomination of Antonio J. Saguibo was submitted by the Department of Labor and Industrial Relations, the Workforce Development Council, ILWU Local 142, and one individual.

Antonio J. Saguibo currently serves as the Vice President of Account Management and Sales with the Hawaii Medical Service Association (HMSA), where he is responsible for overseeing all group and individual sales and account management and has general

oversight of all Account Management and Sales activities. From 1997 to 2002 and again from 2003 to 2006, when he assumed his position with HMSA, Mr. Saguibo served with the Laborers' Union, Local 368, AFL-CIO, as General Counsel, certified lobbyist, and Trustee to the Hawaii Laborers' Training, Health and Welfare, Annuity and Pension Trust Funds. From 2002 to 2003, Mr. Saguibo was the First Deputy Corporation Counsel with the City and County of Honolulu's Department of the Corporation Counsel, where he was responsible for assisting in the supervision of department deputies in legal matters on behalf of the City and providing input and guidance on legal and policymaking decisions affecting the operations of the City. From 1995 to 1997, Mr. Saguibo worked as an associate attorney in a law firm in San Diego, California, concentrating his practice in the area of workers' compensation. Additionally, Mr. Saguibo has also served on the Board of Directors or Executive Board of several nonprofit organizations, including Blue Cross Blue Shield National Labor Office, Oahu Arts Center, Aloha United Way, and the Industrial Relations Research Association.

Testimony submitted on behalf of Mr. Saguibo's confirmation praised his significant experience in health care with HMSA, labor with the AFL-CIO, and policy with the City and County of Honolulu. As noted in testimony from the Workforce Development Council, Mr. Saguibo's experience supervising health care plan changes in the course of his work with HMSA and legal knowledge of health care will be valuable additions to the Council. Your Committee notes that the Council assists the Governor in developing and updating comprehensive five-year strategic workforce investment plans and oversees workforce public investment activities in the State. Mr. Saguibo's broad range of experience, particularly his private sector experience, will be valuable to the Council.

Testimony in support of the appointment of Marian Tsuji was submitted by the Department of Labor and Industrial Relations, the Workforce Development Council, and one individual.

Marian Tsuji currently is the President and Chief Executive Officer of Lanakila Pacific, a local nonprofit offering programs and social enterprises that build independence for thousands of people with challenged lives each year. Ms. Tsuji has also held various management positions within the corrections systems in New York City and Hawaii, including as the Deputy Director of the Department of Public Safety. She has also served as the Chief of Staff to former Lieutenant Governor Mazie Hirono, where she coordinated projects in high technology, economic development, and education among government, private sector, and university communities.

Testimony submitted on behalf of Ms. Tsuji's appointment commended her character, knowledge, enthusiasm, and commitment. Additionally, testimony submitted by the Workforce Development Council noted that with her knowledge of public safety, Ms. Tsuji will bring to the Council critical knowledge of the workforce training needs of inmates who are released into the community. Moreover, Ms. Tsuji has attained an understanding of those with special needs through her work with Lanakila Pacific, which will be valuable for the Council in evaluating and recommending how federal training funds should be spent on these populations.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1387 Judiciary and Labor on Gov. Msg. No. 775**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 775 LESLIE WILKINS, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Leslie Wilkins to possess the requisite qualifications to be nominated to the Commission on the Status of Women.

Testimony in support of the nominee was submitted by the Department of Human Services and the Executive Director for the Hawaii State Commission on the Status of Women.

Leslie Wilkins is currently Vice President and Program Director of Maui Economic Development Board, Inc., (MEDB). During her work with MEDB, she created, launched, and led the implementation of the Women in Technology Project, a pilot and demonstration program that is designed to engage more girls, women, and minorities into the Science, Technology, Engineering, and Math pipeline. This program has grown to serve more than fifteen thousand participants annually statewide and regionally, and has been cited as a national best practices model. Prior to joining MEDB in 1999, Ms. Wilkins acted as a consultant, serving a broad, nonprofit client base to whom she provided program development services, advised on revenue diversification strategies, and wrote proposals. Prior to that time, Ms. Wilkins worked in the commercial banking industry, in the areas of operations, branch management, consumer lending, and personnel management.

Ms. Wilkins is also an experienced advocate for women and workplace equity issues, serving in state and national leadership roles with the Business & Professional Women's Organization for over twenty years. Within that organization, she has served on several national committees and held several national positions, including the Vice President and President. Ms. Wilkins has also served on the Commission on the Status of Women from 1996 through 2003. Ms. Wilkins currently serves on the Board of Directors of the Women's Fund of Hawaii and as Vice Chair of the Maui County Workforce Investment Board.

Testimony submitted in support of Ms. Wilkins' nomination praise her vast experience as an advocate for women and workplace equity gained through her service in leadership positions on numerous state and national organizations through her professional work and volunteer advocacy work. Your Committee finds that Ms. Wilkins' experience and commitment to the advancement of women and workplace equity issues will be valuable to the Commission on the Status of Women.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 1388 Judiciary and Labor on Gov. Msg. No. 510**

Recommending that the Senate advise and consent to the nominations of the following:

ATTORNEY GENERAL OF THE DEPARTMENT OF THE ATTORNEY GENERAL

G.M. No. 510 DAVID M. LOUIE, for a term to expire December 1, 2014.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds David M. Louie to possess the requisite qualifications to be nominated as the Attorney General of the State of Hawaii.

Testimony in support of the nomination of David M. Louie was submitted by the Governor; the Public Defender; the Solicitor General, Department of the Attorney General; the Administrator of the Hawaii Criminal Justice Data Center; a member of the Board of Education; Chief Justice Ronald T.Y. Moon (retired); Judge Victoria S. Marks (retired); Judge Eden Elizabeth Hifo (retired); Judge Riki Amano (retired); Judge Diana L. Warrington (retired); former Attorney General Mark J. Bennett; former Attorney General Robert A. Marks; the ILWU; the State of Hawaii Organization of Police Officers; Hawaii LECET (Laborers-Employers Cooperation and Education Trust); Hawaiian Electric Industries, Inc.; FACE Hawaii; and numerous individuals. Testimony in opposition to the nomination was submitted by one individual. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors (HSBA Board) found the nominee to be qualified for the position of Attorney General, based on established criteria for determining the qualifications of judicial and executive appointments generally utilizing the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Those Guidelines include the following criteria, which are not exclusive: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and responsibilities and duties required of the position for which the applicant has been appointed. The HSBA Board ratings system includes the categories of "qualified" and "not qualified".

David M. Louie received his Artium Baccalaureus degree in Sociology, cum laude, from Occidental College, and his Juris Doctor degree from the University of California at Berkeley, Boalt Hall School of Law. He is currently serving as the Interim Attorney General. Prior to his appointment, Mr. Louie was the Managing Partner at Roeca, Louie and Hiraoka, where he practiced in the areas of civil litigation, insurance defense, construction defect litigation, commercial litigation, legal malpractice, directors' and officers' liability, prison litigation, product liability, and aviation litigation. From 1977 to 1988, Mr. Louie worked with the firm of Case and Lynch, practicing in the areas of civil litigation, personal injury, insurance defense, commercial litigation, contract disputes, and construction defect litigation. He became a partner at the firm in 1984.

Mr. Louie has been actively involved in the legal community. He served as the President of the Hawaii State Bar Association, and he has served on the Hawaii Supreme Court Special Committee on Judicial Performance, among many others. Mr. Louie served on the Aloha Tower Development Corporation as Director then as Chair of the Board of Directors.

Testimony submitted in support of Mr. Louie's nomination praised Mr. Louie's extensive civil litigation experience and recognized leadership qualities. According to testifiers, Mr. Louie has earned a reputation in the legal community as being smart, fair, empathetic, hardworking, well-prepared, knowledgeable about the law, articulate, honest, reasonable, and reliable. He is known for his fundamental fairness, which he combines with a high degree of intelligence, legal knowledge, and experience in combination with a mature and balanced temperament. Mr. Louie is described as always professional and an excellent advocate for his clients. As indicated by one testifier, the complex civil litigation cases Mr. Louie has handled for many years are similar to the same types of cases handled by the Attorney General.

Your Committee notes that one testifier submitted testimony in opposition to Mr. Louie's nomination, raising concerns regarding Mr. Louie's past actions as the Chair of the Aloha Tower Development Corporation. Your Committee does find that there is some concern regarding Mr. Louie's management of the Aloha Tower Development Corporation over a period of eight years as Director then Chair of the Board of Directors. Your Committee notes, however, that Mr. Louie indicated during the hearing that he did not get anything accomplished during his tenure on the Board of Directors. Accordingly, any actions actually taken by the Board of Directors at that time were likely negligible.

Your Committee also finds it of interest that Mr. Louie's office submitted to your Committee two unsolicited, equivocal opinions regarding pending legislation in the form of testimony.

Overall, your Committee finds that Mr. Louie is a good organizer and thorough in his approach to the law and the representation of clients. According to testimony, he understands and will be committed to discharging the responsibilities and duties of the Attorney General in representing the interests of the people of the State of Hawaii and to providing advice and counsel to the Governor, the heads of the various state departments, the Legislature, and the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, 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 (Ihara, Slom).



**SCRep. 1389 Judiciary and Labor on Jud. Com. No. 1**

Recommending that the Senate advise and consent to the nomination of the following:

DISTRICT COURT OF THE FIFTH CIRCUIT, STATE OF HAWAII

J.C. No. 1 EDMUND D. ACOBA, for a term to expire in six years.

Your Committee has reviewed the resume submitted by the appointee and finds Edmund D. Acoba to possess the requisite qualifications to be appointed to the District Court of the Fifth Circuit, State of Hawaii.

Testimony in support of the appointment of Edmund D. Acoba was submitted by the Public Defender, Chief Deputy Public Defender, County Attorney of the County of Kauai, and thirteen individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors (HSBA Board) found the appointee to be qualified for the position of District Court Judge, Fifth Circuit Court, based on established criteria for determining the qualifications of judicial and executive appointments generally utilizing the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Those Guidelines include the following criteria, which are not exclusive: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and responsibilities and duties required of the position for which the applicant has been appointed. The HSBA Board ratings system includes the categories of "qualified" and "not qualified."

Edmund D. Acoba received his Bachelor of Business Administration in Marketing from the University of Hawaii at Manoa, and his Juris Doctor degree from Whittier College School of Law. Mr. Acoba is currently with the Office of the Public Defender on Kauai, where he has worked since 1989. Since 2000, he has served as the Supervising Attorney of that office. From 1987 to 1989, he worked with the Office of the Prosecuting Attorney on Kauai.

Mr. Acoba is very involved in the community, acting in various coaching and officiating capacities in Little League and Pop Warner programs. He has also participated extensively in the community in other capacities, including as an Executive Board Member of Hookena Community Association and as a Project Coordinator with the Kekaha Park Improvement Project.

Testimony submitted in support of Mr. Acoba's appointment commended Mr. Acoba's work ethic, integrity, legal ability, knowledge, and ability to work well with others. Testimony from the Public Defender noted that Mr. Acoba is especially well-suited for the family court because Mr. Acoba has devoted the majority of his career to the area of juvenile justice, has regularly attended national conferences related to the juvenile justice system, and has handled numerous family court criminal matters.

Your Committee finds that, based on the testimony submitted on his behalf, Edmund D. Acoba has the experience, temperament, judiciousness, and other competencies to be a District Court judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a District Court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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, 1 (Gabbard).

**SCRep. 1390 Judiciary and Labor on Jud. Com. No. 2**

Recommending that the Senate advise and consent to the nominations of the following:

DISTRICT COURT OF THE FIRST CIRCUIT, STATE OF HAWAII

J.C. No. 2 DEAN E. OCHIAI, for a term to expire in six years.

Your Committee has reviewed the resume submitted by the appointee and finds Dean E. Ochiai to possess the requisite qualifications to be appointed to the District Court of the First Circuit, State of Hawaii.

Testimony in support of the appointment of Dean E. Ochiai was submitted by United States Representative Colleen Hanabusa, the Public Defender, Judge Walter Kirimitsu (retired), President of Itoen USA Inc., and nineteen individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors (HSBA Board) found the appointee to be qualified for the position of District Court Judge, First Circuit Court, based on established criteria for determining the qualifications of judicial and executive appointments generally utilizing the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Those Guidelines include the following criteria, which are not exclusive: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and responsibilities and duties required of the position for which the applicant has been appointed. The HSBA Board ratings system includes the categories of "qualified" and "not qualified."

Dean E. Ochiai received his Bachelor of Business Administration degree, with distinction, from the University of Hawaii at Manoa, and his Juris Doctor degree from the University of California, Hastings College of the Law. He is currently a Vice President and Managing Attorney with First Insurance Company of Hawaii, Ltd., where he is the chief trial counsel responsible for the overall management, construction, recruitment, staffing, employee evaluation, training and mentoring, active litigation, and operations of the legal department. He also performs budgeting, negotiating, and managing of the internal operations of the company. Prior to his position with First Insurance Company, he served as the Senior Trial Attorney with the Department of the Corporation Counsel of the City and County of Honolulu. In this position, he handled major complex tort, contract, construction claim, infrastructure, and

geotechnical cases. From 1984 to 1988, Mr. Ochiai was an associate attorney with Damon Key Char and Bocken, where he concentrated his practice in commercial and construction litigation.

Mr. Ochiai has also been involved in the legal community, including as a member of the Hawaii Supreme Court Attorneys Disciplinary Board, Hawaii Supreme Court Judicial Arbitration Commission, and Supreme Court Committee on Pattern Civil Jury Instructions, among others. He has also served small nonprofit organizations by being a volunteer instructor for the Castle Colleagues, a program for early child care nonprofit entities, and the Weinberg Fellows, a program for social services nonprofit entities, in the areas of insurance and risk management.

Testimony submitted in support of Mr. Ochiai's appointment commend his broad legal background and exemplary judicial temperament. Many testifiers observed that Mr. Ochiai has a wide and deep range of courtroom experience that includes criminal experience gained as a prosecutor and varied civil experiences obtained through his work with the Corporation Counsel and in private practice, and that this varied experience will give Mr. Ochiai a solid legal base in the criminal and civil cases that are within the jurisdiction of the District Court. Mr. Ochiai also has a reputation in the legal community as a person who is honest, professional, fair, even-tempered, tolerant, and patient.

Your Committee finds that, based on the testimony submitted on his behalf, Dean E. Ochiai has the experience, temperament, judiciousness, and other competencies to be a District Court judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a District Court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1391      Judiciary and Labor on Jud. Com. No. 3**

Recommending that the Senate advise and consent to the nominations of the following:

DISTRICT COURT OF THE FIRST CIRCUIT, STATE OF HAWAII

J.C. No. 3      LANSON K. KUPAU, for a term to expire in six years.

Your Committee has reviewed the resume submitted by the appointee and finds Lanson K. Kupau to possess the requisite qualifications to be appointed to the District Court of the First Circuit, State of Hawaii.

Testimony in support of the appointment of Lanson K. Kupau was submitted by United States Representative Colleen Hanabusa, the Public Defender, and numerous individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association and the Family Law Section of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors (HSBA Board) found the appointee to be qualified for the position of District Court Judge, First Circuit Court, based on established criteria for determining the qualifications of judicial and executive appointments generally utilizing the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Those Guidelines include the following criteria, which are not exclusive: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and responsibilities and duties required of the position for which the applicant has been appointed. The HSBA Board ratings system includes the categories of "qualified" and "not qualified."

Lanson K. Kupau received his Bachelor of Business Administration in Management from the University of Hawaii at Manoa, and his Juris Doctor degree from California Western School of Law. Mr. Kupau is currently in private practice with Bronster Hoshibata, where he practices general civil litigation, including trust litigation, surety defense, and criminal defense. He is also a Per Diem Judge with the District Court. Prior to these positions, Mr. Kupau was with Rush Moore LLP in an Of Counsel position, engaging in general civil litigation, trust and real estate litigation, criminal defense, and family law, and with Kobayashi, Sugita and Goda as a partner, where he concentrated his practice in general civil litigation with an emphasis on commercial litigation and insurance regulatory issues. From 1996 to 1999, Mr. Kupau worked as an associate with Reinwald, O'Connor and Playdon. From 1992 to 1995, Mr. Kupau served with the Office of the Public Defender, handling criminal defense, including numerous bench and jury trials pursuant to which he represented adult and juvenile defendants.

Testimony in support of Mr. Kupau's appointment highlighted that Mr. Kupau is hard working, dedicated, responsible, articulate, gracious under pressure, and humble. Testifiers praised his litigation skills, noting that Mr. Kupau is always in command of the facts and the law of his case, that he is respectful of all participants, and that his legal memoranda are always well thought out, well researched, and well written. Mr. Kupau has a reputation within the legal community as a good decision-maker with excellent legal analytical skills, and as a person with integrity, moral courage, intelligence, and compassion.

Your Committee finds that, based on the testimony submitted on his behalf, Lanson K. Kupau has the experience, temperament, judiciousness, and other competencies to be a District Court judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a District Court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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, 1 (Gabbard).

**SCRep. 1392      Judiciary and Labor on Jud. Com. No. 4**

Recommending that the Senate advise and consent to the nominations of the following:

**DISTRICT COURT OF THE FIRST CIRCUIT, STATE OF HAWAII**

J.C. No. 4      MELANIE MITO MAY, for a term to expire in six years.

Your Committee has reviewed the resume submitted by the appointee and finds Melanie Mito May to possess the requisite qualifications to be appointed to the District Court of the First Circuit, State of Hawaii.

Testimony in support of the appointment of Melanie Mito May was submitted by the Chief of Police for the Maui Police Department; the Executive Staff of the Honolulu Fire Department; the Executive Director of the Waikiki Health Center; the President and Chief Executive Officer, Director of Human Resources Operations, and Human Resource Services Manager of ALTRES, Inc.; and eighteen individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors (HSBA Board) found the appointee to be qualified for the position of Judge for the District Court of the First Circuit, based on established criteria for determining the qualifications of judicial and executive appointments generally utilizing the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Those Guidelines include the following criteria, which are not exclusive: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and responsibilities and duties required of the position for which the applicant has been appointed. The HSBA Board ratings system includes the categories of "qualified" and "not qualified."

Ms. May received her Bachelor of Science degree, cum laude, in Commerce from Santa Clara University, and her Juris Doctor degree from Hastings College of the Law. She has been a partner with the firm of Marr Jones and Wang since 2003, and she was an associate with the firm from 1997 until she became a partner. Her practice involved representing clients in federal and state court, arbitration, mediation, and administrative proceedings before the Hawai'i Civil Rights Commission, the United States Equal Employment Opportunity Commission, the Department of Labor and Industrial Relations, and the United States Department of Labor. Ms. May concentrated her practice in employment law, litigating discrimination, harassment, retaliation, wrongful termination, disability, and wage and hour cases, including several class actions. She also assisted private and public sector employers in developing employment policies, trained supervisory and nonsupervisory employees regarding compliance with state and federal laws, and provided guidance and counsel to management on a wide range of employment law issues. Prior to her work with Marr Jones and Wang, she served as a law clerk to Judge Kevin S.C. Chang and to Judge Daniel G. Heely.

Ms. May has also volunteered as a Court Annexed Arbitration Program arbitrator from 2002 to the present. Additionally, she has also contributed to the community, participating on the Kamiloiki Elementary School Community Council, the Waikiki Health Center Board of Directors, and the Honolulu Japanese Junior Chamber of Commerce.

Testimony submitted in support of Ms. May's appointment highlighted her abilities as a legal advocate, including skillful legal analysis, articulate writing, and emphasis on civility, even under the most adversarial circumstances. Testifiers also praised her ability to explain complex legal concepts to clients and other attorneys in a clear and concise fashion. She has a reputation in the legal community as being intelligent, prepared, hard-working, honest, responsible, compassionate, fair, reasonable, patient, and well organized.

Your Committee finds that, based on the testimony submitted on her behalf, Melanie Mito May has the experience, temperament, judiciousness, and other competencies to be a District Court judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a District Court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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, 1 (Gabbard).

**SCRep. 1393      Judiciary and Labor on Jud. Com. No. 5**

Recommending that the Senate advise and consent to the nominations of the following:

**DISTRICT FAMILY COURT OF THE FIRST CIRCUIT, STATE OF HAWAII**

J.C. No. 5      CATHERINE H. REMIGIO, for a term to expire in six years.

Your Committee has reviewed the resume submitted by the appointee and finds Catherine H. Remigio to possess the requisite qualifications to be appointed to the District Family Court of the First Circuit, State of Hawaii.

Testimony in support of the appointment of Catherine H. Remigio was submitted by the Public Defender, Judge Michael A. Town (retired), Judge Michael F. Broderick (retired), the Family Law Section of the Hawaii State Bar Association, and eight individuals. Comments were submitted by the Board of Directors of the Hawaii State Bar Association.

The Hawaii State Bar Association Board of Directors (HSBA Board) found the appointee to be qualified for the position of Judge for the District Family Court of the First Circuit, based on established criteria for determining the qualifications of judicial and executive appointments generally utilizing the American Bar Association Guidelines for Reviewing Qualifications of Candidates for State Judicial Office. Those Guidelines include the following criteria, which are not exclusive: integrity and diligence, legal knowledge and ability, professional experience, judicial temperament, financial responsibility, public service, health, and responsibilities and duties required of the position for which the applicant has been appointed. The HSBA Board ratings system includes the categories of "qualified" and "not qualified".

Catherine H. Remigio received her Bachelor of Science degree in Foreign Service – Comparative Studies from Georgetown University, and her Juris Doctor degree from the University of Hawaii at Manoa, William S. Richardson School of Law. Ms. Remigio is currently a Per Diem Judge with the District Court of the First Circuit, handling criminal and civil infraction traffic cases, criminal misdemeanors and petty misdemeanors, arraignments, pleas, small claims trials, regular civil claims trials, and temporary restraining order trials. She is also a partner with the law firm of Bryant and Remigio, L.L.C., where she practices family law and handles divorce, paternity, child protective services, temporary restraining orders, family criminal defense, and appeals. She is also an arbitrator with the Court Annexed Arbitration Program. Prior to establishing her own firm, Ms. Remigio was an associate with Stirling and Kleintop, A.L.S., where she practiced family law. From 1993 to 1996 and again from 1998 to 2004, she served as a Deputy Public Defender with the Office of the Public Defender. In the interim between her work with the Office of the Public Defender, Ms. Remigio worked as an associate in a law firm in San Diego, practicing plaintiffs civil and class action suits, water rights, and electricity rates cases.

Testimony in support of Ms. Remigio's appointment praised her knowledge of the law and understanding of her cases. As a judge, she is reputed to be a good decision-maker who efficiently handles her caseload and does so with fairness to all who appear in her courtroom. Her reputation in the legal community is that she is exceedingly professional, punctual, practical, compassionate, credible, well prepared, reasonable, and articulate. She has a strong sense of justice and fairness.

Your Committee finds that, based on the testimony submitted on her behalf, Catherine H. Remigio has the experience, temperament, judiciousness, and other competencies to be a District Family Court judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a District Family Court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1394 Judiciary and Labor on Gov. Msg. No. 741**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII LABOR RELATIONS BOARD

G.M. No. 741 ROCK B. LEY, for a term to expire 6-30-2017 (Term amended to 6-30-2016 by GM780).

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Rock B. Ley to possess the requisite qualifications to be nominated to the Hawaii Labor Relations Board.

Testimony was submitted in support of the nomination of Rock B. Ley by the Department of Labor and Industrial Relations; the Chair, Executive Officer, and two members of the Labor and Industrial Relations Appeals Board; the Hawaii Government Employees Association; United Public Workers; the Executive Director of the University of Hawaii Professional Assembly; and ten individuals.

Mr. Ley is currently a hearing officer with the Labor and Industrial Relations Appeals Board, a position he has held since 2008. From 1991 to 1996 and from 1997 to 2008, he was in private practice as an attorney with Char Hamilton Campbell and Thom. In the interim in 1997, Mr. Ley served as the House Counsel at TIG Insurance Company, handling workers' compensation defense cases. From 1988 to 1990, Mr. Ley served as a Deputy Attorney General in the Labor Division of the Department of the Attorney General. While in these positions, Mr. Ley also taught courses in real estate and resort development as an Adjunct Faculty Instructor at Hawaii Pacific University and American and European history and real estate courses as a Lecturer at Kauai Community College.

Testimony submitted in support of Mr. Ley's nomination praised Mr. Ley's extensive legal experience gained from working in the public sector for the Attorney General and the Labor and Industrial Relations Appeals Board, as well as the private sector representing clients in workers' compensation and product liability matters. Testifiers familiar with Mr. Ley's work with the Labor and Industrial Relations Appeals Board indicated that, in the course of holding that position, Mr. Ley has demonstrated an ability to facilitate resolution of legal disputes, draft sound legal opinions and decisions, and conduct contested case hearings fairly and efficiently. Mr. Ley has a reputation of being calm under pressure, intelligent, and fair.

Your Committee finds that Mr. Ley's extensive labor experience, and in particular his expertise in workers' compensation, will be valuable to the Hawaii Labor Relations Board.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 1395 Judiciary and Labor on Gov. Msg. No. 742**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII LABOR RELATIONS BOARD

G.M. No. 742 SESNITA A. D. MOEPONO, for a term to expire 6-30-2017.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Sesnita A. D. Moepono to possess the requisite qualifications to be nominated to the Hawaii Labor Relations Board.

Testimony in support of the nomination of Sesnita A. D. Moepono was submitted by the Department of Labor and Industrial Relations, United Public Workers, ILWU Local 142, Iron Workers Stabilization Fund, Catholic Charities Hawai'i, and thirty-four individuals.

Sesnita A. D. Moepono has been in solo private legal practice since 1998, concentrating her practice in civil matters in the areas of contract, employment, estate planning, legislative analysis, probate, real property, and workers' compensation. In addition to her solo private practice during this period, she has also been involved in the public sector and legislative arena. Ms. Moepono is currently the Coordinator for Legislation and Litigation with the Offender Management Office of the Department of Public Safety, a position that she has held since March 2011. Prior to that time, she served as a capital improvement projects analyst with the Senate Ways and Means Committee and a staff attorney with the Senate Committee on Water and Land and the Senate Committee on Judiciary and Labor.

From 1994 to 1997, Ms. Moepono served as the Deputy Administrator of Operations with the Office of Hawaiian Affairs, which entailed among other things supervising a staff of over one hundred twenty-five employees, drafting and monitoring over one hundred contracts and one hundred grant agreements, developing a new employee handbook to conform to current federal and state laws, handling unemployment and workers' compensation cases, and improving the personnel branch of the Office of Hawaiian Affairs.

In addition to her private law practice, extensive legislative involvement, and administrative experience with the Office of Hawaiian Affairs, Ms. Moepono has also been an active participant in the community by serving on the Liliha/Alewa Neighborhood Board, the Downtown Business Association, Kupuna Caucus, the Honolulu Committee on Aging, and the Honolulu Planning Commission, among others.

Testimony submitted on behalf of the nomination of Ms. Moepono praised her background in employment and labor law and her proven record of leadership in the community. Ms. Moepono has a reputation in the community as a person who is honest, forthright, balanced, and open to the ideas and opinions of others, and a deliberate decision-maker and good listener. Testifiers indicated that they are confident that Ms. Moepono can view matters from the perspective of both management and labor, having served in management positions at the Office of Hawaiian Affairs and having worked closely with labor unions on labor-related legislation while on the staff of the Senate Committee on Judiciary and Labor. Your Committee finds that Ms. Moepono's extensive experience gives her a well-rounded legal background and that her knowledge and the perspectives she has gained through her work with management and labor unions will make her a valuable addition to the Hawai'i Labor Relations Board.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1396 Judiciary and Labor on Gov. Msg. No. 743**

Recommending that the Senate advise and consent to the nominations of the following:

LANGUAGE ACCESS ADVISORY COUNCIL

G.M. No. 743 RUTH E. MABANGLO, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Ruth E. Mabanglo to possess the requisite qualifications to be nominated to the Language Access Advisory Council.

Testimony in support of the nomination of Ruth E. Mabanglo was submitted by the Department of Labor and Industrial Relations; the Office of Language Access, Department of Labor and Industrial Relations; Oahu Filipino Community Council; Hawai'i Friends of Civil Rights; Nursing Advocates & Mentors, Inc.; Filipino Coalition for Solidarity; United Filipino Council of Hawaii; Oahu Filipino Community Council; Filipino American Citizens League; Katipunan Club; and ten individuals.

Ruth E. Mabanglo is currently a Coordinator of the Filipino and Philippine Literature Program and Professor at the Department of Indo-Pacific Languages and Literatures at the University of Hawaii at Manoa. She is a renowned poet, playwright, journalist, textbook writer, translator, choral recitation director, Filipino storytelling expert, and Filipino language pedagogy consultant. Ms. Mabanglo is the recipient of numerous academic awards, literary fellowships, and grants. Ms. Mabanglo has taught Filipino for the United States Department of Defense as part of the Southwest Asian Studies Summer Institute and trained second language teachers for the American Council for the Teaching of Foreign Languages. She is also the author of several textbooks and videos for students and teachers of Filipino languages.

Testimony submitted on behalf of Ms. Mabanglo's nomination highlights not only Ms. Mabanglo's standing as an internationally acclaimed Filipino linguist, writer, and poet, but also her deep commitment to promoting cultural understanding and breaking down language barriers in the community. Specifically, testifiers indicated that Ms. Mabanglo is a strong advocate of the right of limited English proficient individuals to have access to government programs, services, and activities. She also has a reputation of patience, fairness, working well with others, and keen critical thinking skills. Your Committee finds that Ms. Mabanglo's appreciation for the diversity of Hawaii, her understanding of the need to provide equal access to government services to those members of the community who are not native English speakers and who have difficulty understanding English, her linguistic credentials, and the resources she brings through her affiliation with the University of Hawaii at Manoa and national and international connections will be incredibly valuable to the Language Access Advisory Council.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1397 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 590 and 745**

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 590 MICHAEL GOLOJUCH, for a term to expire 6-30-2015; and

G.M. No. 745 PETER YUKIMURA, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Michael Golojuch and Peter Yukimura to possess the requisite qualifications to be nominated to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of Michael Golojuch from the Office of Veterans Services of the State Department of Defense and fifteen individuals.

Michael Golojuch is the Administrative Services Officer of the Department of Budget and Fiscal Services of the City and County of Honolulu. He received a Master of Public Administration degree from the University of Hawaii at Manoa and a Master of Business Administration degree from the University of Northern Colorado. The nominee is a retired Lieutenant Colonel, United States Air Force. During his service in the Air Force, Lieutenant Colonel Golojuch served in a variety of managerial positions in various missile and aerospace operations divisions, including his last position as Assistant Director of Operations, 487 Tactical Missile Wing, Comiso Air Station in Italy.

Your Committee notes from the personal statement of the nominee that he has over thirty years of management experience with organizations ranging in size from five to more than five hundred people. He has managed budgets and real property facilities ranging from several thousand dollars to multimillion dollars. Lieutenant Colonel Golojuch has a broad knowledge of interfacing operations, logistics, and security. As a veteran, the nominee knows the importance of getting information out to the public on the multiple veteran services and benefits available to those who served their country. He believes his military background and community involvement will enable him to perform advisory functions on veterans' issues, legislative proposals, and program operations. Lieutenant Colonel Golojuch wants every veteran to have the opportunity to use the benefits they have earned.

Your Committee received testimony in support of Peter Yukimura from the Office of Veterans Services of the State Department of Defense; First Hawaiian Bank; Kauai Island Utility Cooperative; Fujita & Miura Public Relations, Inc.; and two individuals.

Peter Yukimura is currently the President of Yukimura's, Inc., a real estate investment and holding company; President of Koa Trading Company, a food distributor; and President of M & K Distributors, a snack food and health and beauty aids company. He received a Bachelor of Science degree in Business Administration with an accounting major at the University of Hawaii at Manoa. Mr. Yukimura served as a Sergeant, E-5, United States Army Infantry, in Vietnam. He was awarded the Combat Infantry Badge, Bronze Star, and two Purple Hearts.

The nominee's current public service includes serving as Vice Chair of the Board of Directors of the Kauai Island Utility Cooperative; and as member of the Small Business Regulatory Review Board. He also served as a Commissioner on the State Land Use Commission. Mr. Yukimura is an active participant as a director, trustee, or member of numerous community and social service organizations.

Your Committee notes from the nominee's personal statement that he believes that a large number of veterans and their families under utilize the benefits and services that are available for them. They need to be more aware of and the State needs to communicate better with them on the availability of those services. He believes that as a disabled veteran, he has gone through a lot of the hurdles that veterans endure just to get their benefits. Your Committee finds that Mr. Yukimura's first-hand experience, combined with his commitment to public service, will enable him to improve other veterans' access to services through his contributions to the Advisory Board on Veterans' Services.

As affirmed by the records of votes of the members of your Committee on Public Safety, Government Operations, 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, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1398 Public Safety, Government Operations, and Military Affairs on Gov. Msg. Nos. 645 and 744**

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 645 RAYMOND JARDINE JR., for a term to expire 6-30-2014; and

G.M. No. 744 COLTON CHING, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Raymond Jardine, Jr., and Colton Ching to possess the requisite qualifications to be nominated to the Civil Defense Advisory Council.

Your Committee received testimony in support of Raymond Jardine, Jr., from The Hana Group, Inc.; Akimeka LLC; Native Hawaiian Veterans, LLC; and three individuals.

Raymond Jardine, Jr., is currently the President and Chief Executive Officer of Current Native Hawaiian Veterans, LLC, a Native Hawaiian-owned, service disabled veteran-owned small business. Current Native Hawaiian Veterans, LLC, is a top secret SCI Facility Clearance. Its core competencies are homeland security, emergency management, information technology, installation operations, unexplosives ordnance, cyber security, and logistic management.

Mr. Jardine received a Doctor of Business Administration degree in Organizational Leadership from Rockville University; a Master's degree in National Strategic Studies from the Army War College; a Master's degree in Organizational Management from the University of Phoenix; a Bachelor's degree in Business Management from Chaminade University; an Associate in Arts degree in Liberal Arts from Honolulu Community College; and a Certificate in Public Administration from San Diego State University.

The nominee received Distinguished Service Medal and Legion of Merit distinctions. He served as the Executive Director of the Hawaii National Guard Association and Hawaii National Guard Enlisted Association from 2003 to 2008. His active duty military service includes serving as the Hawaii Deputy Commander of the Enhanced Separate Infantry Brigade (Light).

Your Committee notes from the personal statement of the nominee that he has an extensive background in homeland security, emergency management, and disaster preparedness-planning-recovery that provides him with clear abilities, lessons learned, and decision making skills. He perceives his potential role on the Council to advise, assist, consult, and sit in an advisory capacity to the Governor and Director of Civil Defense on matters pertaining to civil defense.

Your Committee received testimony in support of Colton Ching from the State of Hawaii Department of Defense.

Colton Ching is the Vice President for System Operation and Planning at Hawaiian Electric Company, Inc. He has also served as Manager for the Corporate Planning Department, Director of Strategic Initiatives, and Director of Transmission Planning for Hawaiian Electric Company, Inc. He is a licensed professional engineer who received a Bachelor of Science degree in Mechanical Engineering from the University at Hawaii at Manoa.

Your Committee notes from the personal statement of the nominee that he has been involved in various emergency planning and emergency response roles at Hawaiian Electric Company, Inc., since the late 1990's. In these capacities, he has served as Hawaiian Electric Company, Inc.'s liaison with the City and County of Honolulu Department of Emergency Management, coordinated operational and restoration issues, and relayed information between Hawaiian Electric Company, Inc.'s incident command center and the City and County of Honolulu's emergency agencies. Most recently, he was one of the Incident Commanders for Hawaiian Electric Company, Inc.'s week-long strike response effort in March 2011 as well as the Incident Commander for the March 11, 2011, tsunami. His experience in emergency planning and operations at Hawaiian Electric Company, Inc., allows him to effectively contribute to the Civil Defense Advisory Council as it fulfills its responsibilities to advise the Administration and Director of Civil Defense.

As affirmed by the records of votes of the members of your Committee on Public Safety, Government Operations, 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, 3. Noes, none. Excused, 2 (Baker, Slom).

**SCRep. 1399 Water, Land, and Housing on Gov. Msg. No. 756**

Recommending that the Senate advise and consent to the nominations of the following:

**BOARD OF DIRECTORS OF THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

G.M. No. 756 PAUL KYNO, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM778).

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Paul Kyno to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of Paul Kyno from David Lawrence, Chair, Board of Directors of the Hawaii Housing Finance and Development Corporation; Ronald D. Kouchi, Hawaii Senator, District 7; James Kunane Tokioka, Hawaii Representative, District 15; Derek S. K. Kawakami, Hawaii Representative, District 14; Bernard P. Carvalho, Mayor of Kaua'i; Joann A. Yukimura, Kaua'i County Councilmember; Tim Bynum, Kaua'i County Councilmember; Mel Rapozo, Kaua'i County Councilmember; Eugene K. Jimenez, Housing Director, Kaua'i County Housing Agency; Randall Francisco, Kaua'i Chamber of Commerce; and Ernie Pasion, President, Kauai Filipino Chamber of Commerce.

Mr. Kyno founded the Kauai Housing and Development Corporation, which has helped to develop many important affordable housing projects on Kauai. Mr. Kyno has served the public as Project Coordinator for the Kauai County Housing Agency and property owners and purchasers through his real estate practice. Mr. Kyno previously served as the State of Hawaii's representative on the Federal Home Loan Bank of Seattle's Affordable Housing Advisory Council.

Testifiers commented on Mr. Kyno's integrity and honesty and his success as a developer. Together with Mr. Kyno's experience and extensive knowledge of housing and finance, Mr. Kyno's commitment to public service will enable him to make valuable contributions to the Board of Directors of the Hawaii Housing Finance and Development Corporation.

As affirmed by the record of votes of the members of your Committee on Water, Land, 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, 2 (Tokuda, Slom).

**SCRep. 1400 Water, Land, and Housing on Gov. Msg. Nos. 567, 568, and 757**

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 567 ERNEST MATSUMURA, for a term to expire 6-30-2015 (Term amended to 6-30-2013 by GM575);

G.M. No. 568 CHAD M. McDONALD, for a term to expire 6-30-2015; and

G.M. No. 757 JAYE NAPUA MAKUA, for a term to expire 6-30-2013 (Term amended to 6-30-2014 by GM780).

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Ernest Matsumura, Chad M. McDonald, and Jaye Napua Makua to possess the requisite qualifications to be nominated to the Land Use Commission.

Your Committee received testimony in support of Ernest Matsumura from Orlando Davidson, Executive Officer, Land Use Commission; Donald Ikeda, Councilmember, Hawaii County Council; Dwayne D. Yoshina; Clarice L. Suzuki; John A. Ervin; Jimmy Toyama; Conrad Hokama; Dwight Takamine; Wesley Takai; and Amy W. Miwa.

A successful business person for more than three decades, Mr. Matsumura has a deep commitment to the sustainable development of our communities, as demonstrated by his extensive board and committee experience with Alu Like, Pacific Educational Foundation, Kanoiehua Industrial Area Association, Hawaii County Hospital Management Advisory Committee, East Hawaii Community Development Corporation, and Hawaii County Real Property Tax Review Board, among others. A resident of Hilo, Mr. Matsumura's contributions to the Hilo area include bringing the Livermore Laboratory to Hilo. Numerous testifiers attested to Mr. Matsumura's intelligence, vision, knowledge, diligence, and enthusiasm.

Your Committee received testimony in support of Chad M. McDonald from Orlando Davidson, Executive Officer, Land Use Commission; Glenn T. Kimura, President, Kimura International, Inc.; Jason H. Lau, Principal, The Limtiaco Consulting Group; Paul S. Morimoto, President, Hirata and Associates, Inc.; Grant T. Murakami, Principal, PBR Hawaii and Associates, Inc.; Vincent Shigekuni, Vice President, PBR Hawaii and Associates, Inc.; Scott Murakami; Russell Chung; George Gusman III; Kimberly Ayau; Edmund Yoshida; Todd T. Nitta, Senior Vice President, First Hawaiian Bank; James Chun; Jonelle W. Oshiro; Spencer K. Wong; and Brian T. Ishii.

A civil engineer, Mr. McDonald possesses seventeen years of experience in the private sector and has addressed technical issues associated with development impacts, including traffic impacts, water supply and distribution, wastewater collection and treatment, drainage and flood mitigation, and water quality management. Colleagues and competitors in the engineering field uniformly testified to Mr. McDonald's excellent technical skills, while other testifiers spoke of Mr. McDonald's intelligence, assertiveness, honesty, professionalism, integrity, and excellent interpersonal and communication skills.

Your Committee received testimony in support of Jaye Napua Makua from Orlando Davidson, Executive Officer, Land Use Commission; Gladys C. Baisa, Councilmember, Maui County Council; Adrian K. Kamali'i, President and Chief Consultant, Pae 'Aina Communications; Sean Naleimaile, Executive Director, Naki'ikeaho; Indigenous Consultants, LLC; Hokulani Holt-Padilla; Karey Anne K. Kapoi; Amanda Martin; Jennifer O. Borge; Mary Jean S. Bega; Kihea Nahale-a; Kelly L. Pearson; Cody Pueo Pata, Kumu Hula, Halau Hula Ka Malama Mahilani; Lehua Itokazu; Janet Makua; Chad Takatsugi; Robbie Cabral; and Perry O. Artates.

A Hawaiian cultural specialist and award-winning composer, Ms. Makua has a long history of involvement in Maui community activities through her affiliations with her local church, the Maui Island Democratic Party, Women Helping Women, Aha Puanaleo and Halau Na Lei Kaumaka o Uka. As a faculty member and educator at Kamehameha Schools' Maui Campus and Seabury High School, Ms. Makua understands community issues and the needs of Hawaiian and non-Hawaiian children on Maui. Numerous testifiers attested to Ms. Makua's intelligence, energy, creativity, initiative, leadership, and excellent communication skills.

As affirmed by the records of votes of the members of your Committee on Water, Land, 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, 2 (Tokuda, Slom).

**SCRep. 1401 Water, Land, and Housing on Gov. Msg. No. 569**

Recommending that the Senate advise and consent to the nominations of the following:

NATURAL AREA RESERVES SYSTEM COMMISSION

G.M. No. 569 RANDY CHING, for a term to expire 6-30-2015. (Term amended to 6-30-2013 by GM575).

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Randy Ching to possess the requisite qualifications to be nominated to the Natural Area Reserves System Commission as a representative of a Hawaii hiking organization.

Your Committee received testimony in support of the nomination of Randy Ching from William J. Aila, Jr., Chairperson of the Board of Land and Natural Resources; Marjorie Ziegler, Conservation Council for Hawai'i; Lea Hong, Hawaiian Islands Program Director, The Trust for Public Land; David Henkin; Andrea I. Jepson; Gwen Sinclair; Colleen Soares; Annette Kaohelaulii; William Reese Liggett; Richard Bailey; and Chelsea Arnott.

Mr. Ching is Outings Chair of the Oahu Group of the Hawaii Chapter of the Sierra Club, and he has served in various roles as a member and leader within the organization for eighteen years. Notably, Mr. Ching coordinated and implemented repairs to and rebuilding of the Kuliouou trail after erosion threatened the viability of the trail. Through dozens of service trips to Oahu and Big



Island Natural Area Reserves, Mr. Ching has helped preserve specific land and water areas which support communities of the natural flora and fauna of Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, 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, 2 (Tokuda, Slom).

**SCRep. 1402 Water, Land, and Housing on Gov. Msg. No. 574**

Recommending that the Senate advise and consent to the nominations of the following:

KAHOOLAWE ISLAND RESERVE COMMISSION

G.M. No. 574 MICHELE CHOUTEAU MCLEAN, for a term to expire 6-30-2015.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Michele Chouteau McLean to possess the requisite qualifications to be nominated to the Kahoolawe Island Reserve Commission.

Your Committee received testimony in support of Michele Chouteau McLean from Rowena Somerville and Michael Naho'opi'i.

Before accepting her current position as Deputy Planning Director for Maui County, Ms. McLean served as Deputy Director and Policy Advisor of the Kahoolawe Island Reserve Commission for over five years. During her time at the Commission, Ms. McLean acquired expertise regarding the pertinent regulatory and administrative issues regarding Kahoolawe and became thoroughly familiar with the daily operations of the commission. As one testifier noted of Ms. McLean's time at the Kahoolawe Island Reserve Commission, "Ms. McLean performed her duties as Deputy Director with fairness, integrity, and compassion." In addition to her technical understanding of the Commission, Ms. McLean possesses experience in the private and public sectors and has served in various capacities at the federal, state, and county levels.

As affirmed by the record of votes of the members of your Committee on Water, Land, 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, 2 (Tokuda, Slom).

**SCRep. 1403 Water, Land, and Housing on Gov. Msg. Nos. 564, 565, 754, and 755**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

G.M. No. 564 BRIAN LEE, for a term to expire 6-30-2015 (Term amended to 6-30-2014 by GM575);

G.M. No. 565 LOIS MITSUNAGA, for a term to expire 6-30-2015;

G.M. No. 754 JAY R. KADOWAKI, for a term to expire 6-30-2015; and

G.M. No. 755 MAILE MEYER, for a term to expire 6-30-2015.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Brian Lee, Lois Mitsunaga, Jay R. Kadowaki, and Maile Meyer to possess the requisite qualifications to be nominated to the Hawaii Community Development Authority.

Your Committee received testimony in support of Brian Lee from Anthony J. H. Ching, Executive Director, Hawaii Community Development Authority; Randy Perreira, President, Hawaii State AFL-CIO; Damien Kim, Business Manager, International Brotherhood of Electrical Workers Local Union 1186; Scot F. Long, Business Manager, International Brotherhood of Electrical Workers Local Union 1357; Thaddeus Tomei, Business Representative, International Union of Elevator Constructors Local Union No. 126; Ai Itamoto, Executive Director, Electrical Contractors Association of Hawaii; Peter Ganaban, Business Manager, Laborers' International Union of North America Local Union 368; James K. Tam, Alston Hunt Floyd and Ing Lawyers; Kristeen Hanselman, Associate Executive Director, University of Hawaii Professional Assembly; Michael Steiner, Steiner and Associates; Tim Lyons, President, Subcontractors Association of Hawaii; Lorna Woo, International Union of Painters and Allied Trades District Council 50; and Glenn Ida, The Plumbers and Fitters Local Union 675.

Mr. Lee has served as a construction project manager in residential, commercial, and governmental development. As a former Executive Director and Administrator of the Hawaii Construction Industry Association, he worked with over six hundred construction companies and nine building trades unions to foster economic development in Hawaii. Mr. Lee has served in a number of fiduciary and advisory roles, including the Contractors Advisory Committee for the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs. Numerous testifiers attested to Mr. Lee's integrity, diligence, and ability to bring parties together to find practical solutions.

Your Committee received testimony in support of Lois Mitsunaga from Anthony J. H. Ching, Executive Director, Hawaii Community Development Authority; Pauline N. Namu'o; Gerald De Mello; Katherine Sakuda; Shannon Liana Alivado; Morgan Kaya; David Rodriguez; Aaron S. Fujii, Executive Vice President and Chief Operating Officer, Mitsunaga and Associates, Inc.; and Glenn Ida.

Ms. Mitsunaga is a Structural Engineer at Mitsunaga and Associates, Inc., who recently took on the additional role of Treasurer at her engineering firm. Ms. Mitsunaga received her Master of Science in Structural Engineering from the University of Hawaii at Manoa. After the earthquake of October 15, 2006, and ensuing damages to Laupohoe Public School and Public Library, Ms. Mitsunaga assisted the entities by conducting assessments to enable them to secure funding to mitigate earthquake damages. Numerous testifiers attested to Ms. Mitsunaga's work ethic, diligence, enthusiasm, and professionalism.

Your Committee received testimony in support of Jay R. Kadowaki from Anthony J. H. Ching, Executive Director, Hawaii Community Development Authority; and C. Mike Kido, The Pacific Resource Partnership.

Mr. Kadowaki is the founder and owner of J. Kadowaki, Inc., a general contracting business located in Kakaako. He is a member and officer of numerous Kakaako community and industry boards and associations. Through the Kakaako Makai Community Planning Advisory Council, Mr. Kadowaki participated in the creation of guiding principles for development in the Kakaako Community Development District. Testifiers attested that Mr. Kadowaki's record of personal and professional accomplishment and community involvement within the Kakaako Community Development District are unsurpassed.

Your Committee received testimony in support of Maile Meyer from Peter Apo, Trustee, Office of Hawaiian Affairs; Hardy Spoehr, Executive Director, Papa Ola Lokahi; Robert K. Iopa, President, WCIT Architecture and member, Mea Makamae; Christina Kemmer; Kirsten Baumgart Turner, Community Development Services; Marilyn Cristofori, Chief Executive Officer, Hawai'i Arts Alliance; Katherine Killebrew; Elmer Kaai; Benjamin Bess; and Annelle Amaral.

Ms. Meyer is a founder and partner of Na Mea Hawaii and Native Books Inc. As a Kakaako business owner and social entrepreneur, Ms. Meyer has worked passionately in support of the development of the arts through sound business practices. Ms. Meyer is a native Hawaiian whose professional success is rooted in her ability to reach practical solutions and form working partnerships. Numerous testifiers attested to, among other things, Ms. Meyer's intelligence, sensibility, vision, and commitment.

As affirmed by the records of votes of the members of your Committee on Water, Land, 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, 2 (Tokuda, Slom).

**SCRep. 1404 Water, Land, and Housing on Gov. Msg. No. 525**

Recommending that the Senate advise and consent to the nominations of the following:

DIRECTOR FOR THE OFFICE OF PLANNING

G.M. No. 525 JESSE SOUKI.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jesse Souki to possess the requisite qualifications to be nominated to the position of Director for the Office of Planning.

Your Committee received testimony in support of Jesse Souki from Kalbert K. Young, Director of Finance; Anthony J. H. Ching, Executive Director, Hawaii Community Development Authority; Karl Rhoads, State Representative, District 28; Patricia Mau-Shimizu, Clerk of the Hawaii House of Representatives; David K. Tanoue, Director, City and County of Honolulu Department of Planning and Permitting; Paul Galman, Assistant Attorney General of Guam; Jean Godden, Seattle City Councilmember; Carrie K.S. Okinaga, Corporation Counsel, City and County of Honolulu Department of the Corporation Counsel; Diane T. Kawauchi, Deputy Corporation Counsel, City and County of Honolulu Department of the Corporation Counsel; Reid M. Yamashiro, Deputy Corporation Counsel, City and County of Honolulu Department of the Corporation Counsel; Dawn D.M. Spurlin; G. Y. Takeuchi, City and County of Honolulu Department of the Corporation Counsel; Kenneth Toru Hamayasu, Deputy Director, City and County of Honolulu Department of Transportation Services; Faith Miyamoto, City and County of Honolulu Department of Transportation Services; Hawaii Carpenters Union; Lyn Flanigan, Executive Director, Hawaii State Bar Association; James Arthur Quintana Giroux, Deputy Corporation Counsel, County of Maui Department of the Corporation Counsel; Trisha Kapua'ala, County of Maui Department of Planning; Clyde T. Hayashi, Director, Hawaii Laborers-Employers Cooperation and Education Trust; Abbey S. Mayer, Vice President, Government Relations, The Resort Group; Grant T. Murakami, Principal, PBR Hawaii and Associates, Inc.; Vincent Shigekuni, Vice President, PBR Hawaii and Associates, Inc.; C. Mike Kido, The Pacific Resource Partnership; Mitchell A. Imanaka, Imanaka Kudo and Fujimoto; Benjamin A. Kudo, Imanaka Kudo and Fujimoto; Nikki T. Senter; Robert H. Thomas; Paula Lustbader, Professor, Seattle University School of Law; Henry Eng; Sharon Lam Blanchard; Emi Morita Kaimulua, Watanabe Ing LLP; Yuki Lei Sugimura; Shannon Liana Alivado; Barbara Pleadwell; Bryan P. Andaya; Mary Lou Kobayashi; Piper A. Hackett; Mark M. Murakami; Mary Alice Evans; Debra Wada; Jim Dator, Professor, University of Hawaii at Manoa; LeeAnn E. P. Crabbe; Noriko Namiki; Brian Uy; Amy Franklin-Bihary, Wechsler Becker, LLP; Elmer Kaai; Melissa T. Pavlicek; Kari Luna Nunokawa, Program Director, University of Hawaii Maui College; Bill Dorman; Amy Zaref; Gale Bracerros; Frances Rivero; Eileen Lynn; Andrew Kona Purdy; Anthony Barredo; Sabrina Pantastico; Nathan Cantorna; Strantn Seui-Purdy; Denise R. Oliveira, President, Ewa Beach Community Based Development Organization; Cal Kimo Sueoka; LaDawn Rickard; Michelle Yip; Lori Respicio; Jane Kihewa; Sandy Apana; and Lolita Takeda.

As an attorney, Mr. Souki has served the public as Deputy Corporation Counsel for Honolulu and Maui as well as property owners as a private practitioner. Numerous testifiers commended his comprehensive grasp of Hawaii's land use issues and law. In the last several years, Mr. Souki has served the Hannemann and Carlisle administrations in implementing the City and County of Honolulu's rail transit project.

Mr. Souki has devoted his time to educate government regulators, land use planners, and fellow attorneys on the intricacies of Hawaii land use and planning laws, publish an award-winning land-use blog, and mentor realtors, colleagues, and family. Mr. Souki has volunteered as Program Chair and Chair of the Natural Resources Section of the Hawaii State Bar Association. Notably, Mr. Souki has worked at all levels of government — federal, state, and local — as well as in all three branches of government.

As affirmed by the record of votes of the members of your Committee on Water, Land, 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, 3 (Ryan, Tokuda, Slom).

**SCRep. 1405 (Joint) Tourism and Education on H.C.R. No. 273**

The purpose of this measure is to request the School of Travel Industry Management at the University of Hawaii at Manoa to develop enhancements for the tourism-related capabilities of the University of Hawaii Economic Research Organization Data Portal, develop an online tutorial, and provide regular in-person training seminars to visitor industry professionals on how to use the Data Portal to assist in decision-making. The intent of this measure is to provide additional market analysis tools to assist industry professionals in making business decisions to further enhance Hawaii's tourism industry.

Your Committees received testimony in support of this measure from the University of Hawaii Economic Research Organization and the School of Travel Industry Management at the University of Hawaii at Manoa.

Your Committees find that the volatile nature of the travel and tourism industries requires that professionals in these fields have a clear understanding of market data and trends and how to use such data and trends in short- and long-term strategic business planning and management. This measure will provide system enhancements to assist industry professionals in the deliverance of quality tourism services and market planning.

Your Committees suggest that in order to achieve the objectives and enhancements identified in this measure in the most effective and efficient manner, the School of Travel Industry Management should consult and work in close collaboration with the University of Hawaii Economic Research Organization, the Department of Business, Economic Development, and Tourism, and the Hawaii Tourism Authority to examine ways to consolidate the data portals currently used to store and monitor tourism-related data. Such collaboration amongst those entities would likely:

- (1) Prevent the duplication of services;
- (2) Eliminate wasteful spending that occurs at the taxpayers' expense; and
- (3) Ensure that the data is stored and monitored in the most effective and cost-efficient manner for the State of Hawaii;

Your Committees also suggest that information on any data portal consolidation efforts undertaken by the University of Hawaii Economic Research Organization, the Department of Business, Economic Development, and Tourism, and the Hawaii Tourism Authority be included within the School of Travel Industry Management's report to the Legislature pursuant to this measure, which is requested to be submitted no later than twenty days prior to the convening of the 2012 Regular Session.

As affirmed by the records of votes of the members of your Committees on Tourism and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 273 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 1 (Kidani).

**SCRep. 1406 Education on Gov. Msg. Nos. 662, 663, and 664**

Recommending that the Senate advise and consent to the nominations of the following:

UNIVERSITY OF HAWAI'I BOARD OF REGENTS

G.M. No. 662 SAEDENE K. OTA, for a term to expire 6-30-2015;

G.M. No. 663 CORALIE C. MATAYOSHI, for a term to expire 6-30-2016; and

G.M. No. 664 JAN N. SULLIVAN, for a term to expire 6-30-2016.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Saedene K. Ota, Coralie C. Matayoshi, and Jan N. Sullivan to possess the requisite qualifications to be nominated to the University of Hawaii Board of Regents.

Your Committee received testimony in support of the nomination of Saedene K. Ota from the Governor; State Representative Gilbert S.C. Keith-Agaran; Hawaiian Springs, LLC; Maui High Performance Computing Center; Maui Economic Development Board, Inc.; and eight individuals.

Ms. Ota is the Owner and Creative Director of Sae Design, a small graphic design firm focusing on branding, packaging, web design, and strategic marketing. Ms. Ota studied Graphic Design and Packaging at the University of Hawaii at Manoa, California State University, Northridge, and Art Center College of Design in Pasadena, California.

Ms. Ota has won several creative awards, including two Hawaii Advertising Federation Pele Best of Show recognitions. In 2005, Ms. Ota was honored as the United States Small Business Administration Small Business Advocate of the Year "Women in Business Champion".

Ms. Ota is active in the community. She has been involved with the Maui Board of Economic Development, American Institute of Graphic Arts, Hawai'i State Art Museum, Maui Young Business Roundtable, Maui Memorial Medical Center Foundation, and A Keiki's Dream. She has also provided pro-bono design services for the Department of Education, Hale Makua Health Services, Maui Youth & Family Services, and Maui Community College.

Ms. Ota's short-term goal as a Board of Regent member is to increase public-private partnerships to help meet the fiscal needs of the University of Hawaii in light of budget shortfalls. Ms. Ota testified that when she attended design school in California, she personally saw the benefit of public-private partnerships at the university-level. Much of her design work was often sponsored by a private company that provided a financial benefit to the school while tapping the minds of talented students. Ms. Ota expressed that she would like to see more of this type of public-private partnership at the University of Hawaii.

Ms. Ota's business savvy and creativity will provide the Board of Regents with a fresh perspective toward meeting the challenges facing the University of Hawaii System.

Your Committee received testimony in support of the nomination of Coralie C. Matayoshi from the Governor; United States Army Major General Robert G.F. Lee (Retired); City and County of Honolulu Chief of Police; City and County of Honolulu Fire Chief; American Red Cross; and forty-one individuals.

Coralie C. Matayoshi received her Bachelor of Arts degree in Political Science from the University of California, Berkley. She received her Juris Doctorate degree from the University of California, Hastings College of the Law. Since 2003, Ms. Matayoshi has served as the Chief Executive Officer (CEO) of the American Red Cross, Hawai'i Chapter. As CEO, Ms. Matayoshi oversees the statewide delivery of humanitarian services through nine offices and a \$5,000,000 budget. Ms. Matayoshi works with a volunteer Board of Directors, four neighbor island Advisory Councils, community leaders, military personnel, government agencies, schools, and peer agencies to raise funds, market, staff, and operate programs to fulfill the agency's mission of saving lives and giving hope to those in need.

Ms. Matayoshi has also served as a Trial Attorney for the United States Department of Justice Antitrust Division and Special Assistant United States Attorney in Washington, D.C. Ms. Matayoshi previously served as the Executive Director of the Hawai'i Institute for Continuing Legal Education and Executive Director of the Hawai'i State Bar Association.

Ms. Matayoshi's short-term goal as a member of the Board of Regents is to create innovate community partnerships among the University of Hawaii, government, and non-profits to harness their collective energies and strengths to tackle complex social problems, give students practical experience and exposure to the real world, and provide non-paid assistance to businesses, government, and non-profits. Ms. Matayoshi believes that these efforts will build a base of future volunteers, produce a workforce that understands the needs of the public, as well as create trust, good will, buy-in, and financial support for the University from the community.

Over the past twenty-three years, Ms. Matayoshi has successfully led three statewide, non-profit organizations. As Executive Director of the Hawaii Institute for Continuing Legal Education, Ms. Matayoshi helped turn a nearly bankrupt educational organization into an organization that had \$150,000 in reserve funds. Ms. Matayoshi's dedication and innovate spirit will serve her well as a member of the Board of Regents.

Your Committee received testimony in support of the nomination of Jan N. Sullivan from the Governor; Former City and County of Honolulu Mayor Jeremy Harris; Hawaii Carpenters Union; Group 70 International, Inc.; and ten individuals.

Ms. Sullivan received her Bachelor of Arts degree in Sociology from the University of Colorado. She received her Juris Doctorate degree from the William S. Richardson School of Law. Ms. Sullivan has been the Chief Executive Officer (CEO) for Oceanit, a diverse engineering, technology, and science company, for the past ten years. In her role as CEO, Ms. Sullivan is responsible for overseeing and managing all of the company's operational and business units.

Prior to managing Oceanit, Ms. Sullivan served as the Director of the Department of Land Utilization, as well as Director of the Department of Planning and Permitting, for the City and County of Honolulu. As Planning Director, Ms. Sullivan modernized the Department and established the first computerized permit tracking system in the State.

Ms. Sullivan is active in the community. She has served as a member of the Hawaii Community Development Authority and the Charter Commission for the City and County of Honolulu. She has also served on the Boards of Homeless Aloha, Parents and Children Together, and Girl Scouts of Hawaii. She is currently the Vice Chair of the Hawai'i Nature Center and is a founding Board member of the non-profit Mutual Housing Association.

Ms. Sullivan expressed to your Committee that she would like to see the implementation of the Hawaii Innovation Technology Exchange Institute, one of the key recommendations of the University of Hawaii President's Advisory Council on Hawaii Innovation and Technology Advancement. Ms. Sullivan testified that as a Board of Regents member she would support instituting the necessary policies required to advance the University's role in developing a high technology industry in the State, integrating entrepreneurship and innovation into the curriculum.

Ms. Sullivan's experience in the public and private sectors will give her a unique perspective in helping the Board of Regents achieve its mission.

Your Committee finds that while the Regents Candidate Advisory Council for the Board of Regents has fielded many outstanding appointees to the Board, including the three individuals your Committee is recommending for confirmation, many substantive concerns have been raised as to the selection process. Since the inception of the Regents Candidate Advisory Council in 2007, your Committee has dealt with a number of issues resulting from the new method of Regent selection, which has hampered the work of the Regents Candidate Advisory Council and led to questions regarding the final selection of appointees during the Senate confirmation process.

Especially on the heels of the Board of Education appointment process, your Committee can clearly see the potential value in granting the Governor the authority to select and appoint Regents on the basis of how each Regent's individual strengths will add to and complement the overall Board of Regents. It has become evidently clear that no Governor will be able to adequately select nominees to the Board of Regents unless the Governor has more control and involvement in the recruitment and selection process.

Understanding that the Regents Candidate Advisory Council was established as a result of an amendment to the Hawaii State Constitution, and recognizing that in 2007 the Legislature did its best to put forth a thoughtful process in response to the constitutional

mandate, your Committee believes that the time has come to reassess and seriously consider making significant changes to the form and function of the Regents Candidate Advisory Council.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1407 Water, Land, and Housing on S.R. No. 104**

The purpose and intent of this measure is to request the Board of Land and Natural Resources to apply a conservation easement as defined in section 198-1, Hawaii Revised Statutes, to land acquired under the Legacy Land Conservation Program.

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 requests that the:

- (1) Department of Business, Economic Development, and Tourism, Department of Labor and Industrial Relations, and Office of Planning jointly evaluate each six-year state program and financial plan submitted to the Legislature for information relevant to promoting and guiding job growth in Hawaii; and
- (2) Director of Business, Economic Development, and Tourism submit an annual report of the agencies' findings and recommendations, including any proposed legislation, to the Legislature.

Your Committee received testimony in support of the proposed S.D. 1 presented by Kalbert K. Young, Director of Finance.

Your Committee finds that the state program and financial plan can be used for annual assessments of job creation in Hawaii and to assist the Executive Branch and Legislature in planning for legislation and anticipated projects promoting job growth.

Your Committee has amended this measure by adopting the proposed S.D. 1 which evaluates various information to promote and guide job growth in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing 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 (Fukunaga, Tokuda, Slom).